In the Service of Power:
Media Capture and the Threat to Democracy

Edited by Anya Schiffrin

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The Center for International Media Assistance (CIMA), at the National Endowment for Democracy, works to strengthen the support, raise the visibility, and improve the effectiveness of independent media development throughout the world. The center provides information, builds networks, conducts research, and highlights the indispensable role independent media play in the creation and development of sustainable democracies.

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Contents

About this Volume

In April 2016, Columbia University's School of International and Public Affairs hosted a conference on the topic of "media capture" with the intention of bringing new theoretical and empirical perspectives to the topic. The papers presented at that conference provided the foundation for this volume, the first of its kind to explore how political figures and economic elites are colluding to undermine the independence of privately-owned news media. The Center for International Media Assistance (CIMA) is proud to present this collection and hopes it will inspire further research and thoughtful policy responses to this growing threat to democracies around the world.

About the editor

Anya Schiffrin is the director of Technology, Media and Advocacy specialization at Columbia University's School of International and Public Affairs. Her most recent book is the edited collection *Global Muckraking: 100 years of investigative reporting from around the world* (New Press, 2014). She is a member of the advisory board of Open Society Foundation's Program on Independent Journalism and the Natural Resource Governance Institute and in spring 2016 joined the Global Board of the Open Society Foundation.

Acknowledgements

Introduction

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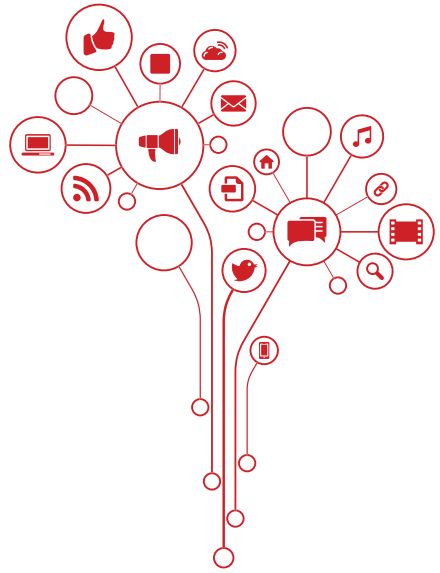
In many countries around the world today, political transitions and the rise of digital technology have changed the way governments influence the media. With some exceptions, pre-publication censorship and pre-approval of news and information is mostly a thing of the past. Political transitions in many countries have changed mechanisms of control. Instead of a censor in Burma marking up advance copies of local newspapers, journalists receive more nuanced signals as to what should be covered. In countries like China and Vietnam, where governments still issue directives to journalists, there is now a vibrant social media space where forbidden topics are covered and dissent is expressed.

In countries undergoing political transition, another change witnessed in the past two decades is that the threat to journalistic independence no longer comes from the government alone, but from the private sector, and from collusion between the two. In countries such as Burma, Venezuela, Thailand, Tunisia, Turkey, or even Italy under Silvio Berlusconi, the ties between government and media are close. Such links can be forged through advertising or some form of state subsidy to the media, or simply through the relationships between political elites and media owners, but the effect is frequently the same: media that does the bidding of elites and thus is not truly free.

This collection looks at the state of media around the world with an emphasis on what we call "media capture." It comes out of a conference held at Columbia University's School of International and Public Affairs in April 2016, and aims to introduce the concept of capture to a broader audience, show how capture is manifested in different parts of the world, and highlight some possible solutions. This is the first collection on media capture around the world and the first to consider how digital technology is affecting the issue.

Media capture defined

Media and communications scholars have long looked at questions of commercial influence, ownership, the role of government, and other sources of political bias in shaping coverage. Edward S. Herman and Noam Chomsky (1988) famously proposed their "five filters" and included ideology, corporate ownership, and pressure from sources as factors that influence coverage. Ben H. Bagdikian (1983) wrote about corporate control of the media and the effect it has on coverage, and sociologist Herbert Gans (1979), and others, have written about the way that sources shape coverage through developing relationships with reporters. This question was explored in an African context by anthropologist Jennifer Hasty, who did fieldwork in a state-owned outlet as well as at a private newspaper in Ghana and wrote about the different ways journalists at the two outlets covered government (Hasty 2005).

Since then, others have refined these ideas, under a variety of terms, to better understand the full range of forces that restrict or bias coverage. Perhaps the best working definition of the media capture phenomenon is that provided by political scientist Alina Mungiu-Pippidi: "By 'media capture' I mean a situation in which the media have not succeeded in becoming autonomous in manifesting a will of their own, nor able to exercise their main function, notably of informing people. Instead, they have persisted in an intermediate state, with vested interests, and not just the government, using them for other purposes" (Mungiu-Pippidi 2013, 41).

In many parts of the world—including Australia, Italy (Stille 2006), Burma (McElhone, this volume), Thailand, Turkey (Finkel 2015), and Venezuela (Bennett and Naim 2015)—government control of the media is entwined with control by

business interests. In Venezuela, private entities linked to the government have taken ownership of media outlets (Ibid.). In Turkey, the Erdoğan government has pressured friendly business interests to buy up failing media houses (Finkel 2015). In Italy, Silvio Berlusconi used his media holdings to launch his political career and consolidate his hold on power (Durante and Knight 2009). In Thailand, broadcast media has been controlled by government and corporate elites for decades (Wongrujira 2008).

As such, the involvement of the private sector is what fundamentally distinguishes media capture from the familiar forms of government control of the media, though this is not to say that media are captured in the same way. States pursue different capture strategies; media markets have structural differences; and the digitization of communication also frequently has a unique complexion in some settings—all having implications for the nature of capture in each context. We have intentionally given the authors in this volume the liberty to explore these contextual differences and to propose variations and categories of capture that might deepen our understanding of the phenomenon.

Some of the chapters detail the ties between government and business that involve media outlets, and how these links survive recent democratic transitions and, in some cases, adapt to the rise of digital media. Kamel Labidi writes that in Tunisia before the 2011 Arab Spring, broadcast and radio licenses were given to relatives of Ben Ali so he could say he was liberalizing media while still keeping them under his control. Martina Vojtěchovská discusses how media outlets in the Czech Republic were first taken over by foreign owners after 1989 and then, following the 2008 financial crisis, sold off by the foreign companies to local businessmen with political ties. She argues that new regulations are needed to prevent the situation from worsening. In the chapter on Tanzania, Ryan Powell describes how past controls on media combined to produce a captured media system. As a former British colony, Tanzania adopted colonial-era regulations that then were supplemented with a post-colonial socialist belief in media as subservient to a state development agenda. Since 1992, Powell writes, Tanzania has gradually moved toward a pluralist political system and limited capitalism, introducing privatization and market mechanisms to boost industrialization, and allowing private media ownership. As a result, media operating in Tanzania face a range of constraints, which include diverse and overlapping forms of media capture.

Mireya Márquez-Ramírez and Manuel Alejandro Guerrero argue that in Latin America clientelism and media capture remain an intrinsic part of the political landscape, becoming entrenched when government advertising was used as a way of buying support during the dark years of dictatorships in the 1970s and 1980s. These old connections still hold true today. In Burma, the subject of Jane McElhone's chapter, political changes in the last few years have opened up the media landscape, allowing business interests to come into what had been a tightly controlled environment subject to government pre-publication censorship and other forms of control. And according to Yiling Pan, in China the concept of

capture can also be applied to explain why commercial competition introduced almost four decades ago by the Chinese government and the more recent rise of social media and citizen journalism have not challenged the political dominance of government over the media in China.

Economic theories of capture

Originally coined by the economics profession, "capture" is an economics term that describes what happens when regulators become overly empathetic or supportive of those they are meant to be regulating. Associated with economist George Stigler's seminal "The Theory of Economic Regulation" (1971), the term was used widely after the great financial crisis of 2008 to describe how financial regulators failed to properly regulate the banks and financial institutions that caused the crisis. It can almost be understood as "poacher turned gamekeeper."

This collection demonstrates that the term *capture* provides a broad analytical framework that can be used to consider the contemporary challenges to media freedom. If we assume that one of the roles of the media is to regulate an economy or a political system by providing information that can lead to action by other agents in society, then media capture becomes a useful term to look at some of the reasons why the media do not always fulfill that role. These may all be said to be captured in some way: media that are ideologically controlled by government; media that are controlled by advertisers and owners; media coverage that pushes a certain agenda.

As Joseph E. Stiglitz notes in his chapter, "The fourth estate is a critical part of the set of checks and balances within our society. When the media get captured by those they are supposed to oversee—whether government, corporations, or other institutions in our society—they cannot or will not perform their critical societal role."

The first use of the term *media capture* in the economics profession appeared in a 2005 working paper, "Handcuffs for the Grabbing Hand? Media Capture and Government Accountability," by Timothy Besley, of the London School of Economics, and Andrea Prat, currently a Richard Paul Richman Professor of Business at Columbia Business School. Besley and Prat tried to explain the media market characteristics that affect political outcomes. They noted that even where preemptive censorship no longer exists—using Russia as an example—it is possible for formal press freedom to coexist with substantial political influence on the media. Besley and Prat cited Mexico, Thailand, Italy, and India as examples. They show, as other economists such as Alexander Dyck, David Moss and Luigi Zingales did in their paper "Media versus Special Interests," that this influence has political outcomes (Dyck et al. 2013).

Giacomo Corneo of the Free University of Berlin also wrote an important paper on capture (Corneo 2006). In "Media capture in a democracy: The role of wealth concentration," he describes how citizens, when confronted by alternative policy options, are dependent on the media in order to formulate an informed decision. When one of those options goes against public interest but holds a significant benefit for powerful interest groups, there is a risk that those interest groups will persuade or pressure media owners and managers to sway coverage in favor of the option that goes against public interest. This form of collusion between powerful interest groups and the media, he finds, is more likely in societies with high levels of wealth concentration.

Maria Petrova from Harvard University published a paper posted in 2007 in the *Journal of Public Economics* that looked at the effect of media capture on economic inequality. In a situation where the media are captured by the rich who can influence what is published, it can become impossible for voters to know what their true interests are, worsening inequality. Petrova's paper was influenced by Besley and Prat, but she points out that capture by the rich can have a longer-lasting effect than capture by politicians. Politicians can be voted out of office, but the rich cannot.

In short, media capture is a way of understanding how media systems are swayed or controlled by powerful interests around the world. It explains media systems not only in countries that have long been democratic but also in countries such as those described in this book—for example, Burma and Tunisia—that recently have undergone dramatic political transitions but ended up with media systems that still are shaped by government and corporate influences. As long as capture exists, and it usually exists in one form or another, then the media are not truly free.

The role of digital media

Central to the issue of media capture are questions of media diversity.

Ten years ago it was assumed by many (Dyck and Zingales 2002; Besley and Prat 2006), although not by all (Mullainathan and Shleifer 2002; Cagé 2016), that lower barriers to entry would mean more media outlets. This would lead to more competitive media markets and thus make it more difficult to capture media, creating higher quality journalism and presumably political decision-making. Besley and Prat, for example, concluded that lowering barriers to entry and having more competition in the media market have a positive effect on both corruption and media capture.

Rapid developments in the media landscape thus require us to revisit the question of capture. To what extent, and in what ways, has the rapid spread of digital technology affected some of the earlier theories about media capture?

In fact, many of the new outlets that appeared in the last 10 years were not high quality, and many of the old outlets that were known as quality publications became open to all kinds of financial arrangements they might not have accepted 20 years earlier (John 2016). For instance, paid insertions, which are referred to in the United States as "native advertising," have recently grown more common.

The growth of native advertising, the erosion of the barriers between editorial and advertising, and the rise of large digital platforms may all have given rise to new forms of media capture. In a situation where the financial future of the media is shaky, the influence and power of the funder increase. In a situation of scarcity—that is, where there is little available advertising—the power of the advertiser becomes more pronounced. This is true even in countries where advertising revenues are growing because these additional revenues have been scooped up by multinational companies like Google.

In this collection, Maha Atal explains why "old" and "new" media platforms run the risk of capture in different ways. Print and broadcast media are often captured through the ownership of powerful plutocrats affiliated with political elites, who limit the scope for political debate. While new communication technologies and outlets can provide a check against this plutocratic capture, new platforms in the developing world can be captured—like their developed world cousins—by advertising and corporate pressure. Because "traditional" and "new" media technologies have emerged at the same time in many developing democracies, these forms of capture do not replace one another, but combine and compete with one another, she argues.

Moreover, the motives of media proprietors are likely to become less economic and more political in nature. In an age of declining profitability, when owning a media outlet is not as profitable as it once was, then who would want to own a media outlet? Only someone with a strong desire for political influence. This point is discussed by Rasmus Kleis Nielsen in his chapter on "Media capture in the digital age." He argues that there are three reasons for owning a media outlet: power, public service, and profit. Around the world and throughout the last 200 years, these three motives have been a core part of why people take on media ownership. Of course, the balance shifts at different times and in different places, and since the digital era the balance again has shifted in favor of power as a driving motivation for media ownership. This gives rise to all kinds of new opportunities for capture. According to Nielsen, in the future we will see "a twenty-first century resurgence of more captive, politically instrumentalized news media. This type of media—subsidized by proprietors, social and political groups, or governments—is common in most of the world, and we also know it from the past."

Is it possible to avert this resurgence? Are there policy solutions that actually could be put in place? We know some of them: controls on cross ownership; diversification of funding sources; regulations; the creation or support of public broadcasters

with arms-length relationship to the state. But how likely is it that any of them will be implemented?

In his paper Kamel Labidi details efforts to fight state control of media in Tunisia, and describes how intractable the problem was. After the Arab Spring there appeared a brief window of opportunity for reform to the media system, but media owners and their government allies fought back against reform. Burma has a similarly difficult path ahead.

What, then, are the solutions? The concluding chapter by Mark Nelson points to some of them. There is an important role for governments to play in using antitrust and competition law to promote diversity of ownership, requiring transparency of ownership, putting in place strong rules on government advertising, and strengthening media regulators. As social media continues to play an important role in publishing and disseminating news and information, it also will be important for government to try to maintain a level playing field and enforce competition laws that are relevant for tech companies. Attempts by European Union competition commissioner Margrethe Vestager to do just that have been met with resistance by US companies like Facebook, but she is clear on the need to protect smaller companies in the face of large tech monopolies.

In this new era of the pro-business Trump presidency, it seems unlikely that competition regulators will be strengthened in the United States. It is also clear that measures to protect the independence of the media must be taken. A huge part of protecting free expression is making sure that independent voices are heard. The essays in this book are thus an important contribution to the emerging field of journalism scholarship on media capture. In this digital era and in the current political climate, the question of how to prevent capture is more urgent than ever. We need not only to be aware of the growing problem of capture, but also to understand and push for policies that can help tackle the problem.

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Toward a taxonomy of media capture

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Preventing capture, and ensuring that the media can perform their societal function, requires an understanding of the myriad and sometimes subtle ways the media can be compromised by the very actors they are supposed to monitor. To that end, this chapter proposes four somewhat overlapping forms of capture–(a) ownership, (b) financial incentives, (c) censorship, and (d) cognitive capture–arguing that a broader view of what constitutes capture usefully highlights less obvious but equally insidious threats to journalistic independence.

Introduction

There is a long literature describing the role of the media in our society—in particular, the role in preventing a broad range of abuses by government and the corporate sector. Indeed, the media play a critical role in our society's systems of checks and balances in part by attempting to "regulate" behavior by watching to see whether government, business and other organizations are engaging in actions that are consonant with societal beliefs.

The media have limited power to correct detected abuses. Rather, their power is based on the premise that *information* itself will lead to a resolution; and the knowledge that such information might be provided, will itself, lead to fewer abuses. As the expression goes, "sunshine is the strongest disinfectant." Recently, the press has brought many abuses to light, including the 2014 Lux Leaks series on tax avoidance as well as the 2016 Panama Papers on offshore banking, both of which were published by the International Consortium of International journalists.

In order for the press to play a watchdog role, it must be independent, particularly of those on whom it is supposed to be reporting. If the media are captured, in one way or another, by the same organizations or people that they are supposed to report on and monitor, then the news will, at the very least, not be complete; in many cases, it will be distorted. To prevent capture and allow the media to perform their societal role, we must understand the mechanisms by which it occurs. This chapter classifies and explores the ways in which the media get captured through ownership, financial incentives, censorship, and cognitive capture, and the subsequent consequences.

As mentioned in Anya Schiffrin's introduction, "capture" is an economics term that describes what happens when regulators become overly empathetic or supportive of those they are meant to be regulating. Associated with economist George Stigler's seminal "The Theory of Economic Regulation" (1971),[1] the term was used widely after the financial crisis of 2008 to describe, for instance, how financial regulators failed to properly regulate the very banks and financial institutions that caused the crisis. By analogy, *media capture* occurs when one or more of the parties that the media are supposed to be monitoring on behalf of society "captures" or takes hostage the media, so that they fail to perform their societal function.

The most obvious example arises when a newspaper is owned by a particular business. Obviously, it will not then be in the interests of the newspaper to reveal the misdeeds of that business. Or a media outlet with an owner that has business interests may oppose a political candidate who supports policies that are viewed as against the interests of the media-affiliated business, despite his or her other qualifications. Similarly, business interests will push the newspaper to editorialize in favor of bills supporting the industry, and castigate those that might adversely affect the industry. Ideally, a newspaper will declare its interests so readers may judge for themselves, and perhaps discount the value of the newspaper's views in

areas where there is a conflict. But many readers will not know of such conflicts, even if they are disclosed; and sometimes, perhaps often, they are not disclosed.

Many early uses of the term "capture" focused on *economic* incentives—the regulators often would return to jobs in the sector that they had regulated; the revolving door provided them an incentive to treat those they were regulating well. But over time, economists and political scientists have explored a broader range of mechanisms by which capture occurs. One of the most important is *cognitive capture,* the notion that regulators may come to think like those they regulate, simply by the process of continual association and engagement. The revolving door may even have an impact on those government officials who studiously try not to be influenced by economic prospects. Those government officials who spent years working in banks begin to think like bankers. There is a growing literature in behavioral economics emphasizing the endogeneity of beliefs, perceptions, and behaviors: we are social beings, and those with whom we associate affect us in a myriad of ways. Indeed, some of this research shows that simply reminding those who have worked in banks about their past identity as a banker leads them to behave in more selfish ways (Cohn et al. 2014).

This chapter, like the earlier literature on regulatory capture, focuses on the economics of capture, although we touch on cognitive capture. It does not give sufficient weight to the impact of capture on political processes and the larger effects on social welfare.[2] The experience of media practitioners along with the analytical understanding of media and communications scholars, political scientists, and sociologists, later chapters of this volume adds subtlety and detail to the study of media capture.

This chapter explores and categorizes the ways in which the media are captured and the consequences. We focus in particular on how they are captured by corporate interests and governments, but the papers in this volume show that capture is a more general problem: media can even be captured, for instance, by philanthropic organizations, who simply want to advance their causes.

We divide our analysis of capture into four broad, and somewhat overlapping, sections: (a) ownership, (b) financial incentives, (c) censorship, and (d) cognitive capture.

Capture by ownership

Ownership is the one way in which media capture differs from standard regulatory capture. One cannot directly and openly *buy* a regulator (though critics of the US system of money in politics suggest that what happens in American politics is not much different from an open purchase). But wealthy individuals and corporations can and do buy media. They do so not just as a business proposition, but

sometimes out of a sense of public spirit—or at least to advance their political philosophies. Many purchase newspapers because of the possibility that the media give them to influence thinking, perceptions of events, and therefore politics itself.

In doing so, these media owners almost inevitably have particular perspectives; and the perspectives of the rich typically differ from that of the rest of society. They are more likely to be conservative, against regulations and in favor of low taxes, and they are likely to support political candidates and parties that advance their interests. One might think that readers expect that—and therefore discount at least the editorials. Good newspapers have made an effort to separate editorial positions from news coverage, but arguably, in recent years, the separation has been eroding. Many believe that this is, for instance, a particularly marked feature of many of Rupert Murdoch's holdings.

Of course, in a "rational" market, news from media sources that have broken down the barrier between advertising and editorial will be less influential, simply because their reporting is less "credible." If that were the case, newspapers would have an incentive to be neutral in their reporting (Knight and Chiang 2011).

As Schiffrin and Rasmus Kleis Nielsen note elsewhere in this volume, the rise of the Internet increased hopes that lower barriers to entry would democratize the media market so that media ownership would no longer be dominated by the wealthy and powerful. Entry from those of limited means has, in fact, increased, but the bigger question is whether the development of the Internet provided the hoped-for check on media capture. There are several reasons for concern that media may become less able to perform their critical roles.

The first set of problems arises from the fact that in this new, digital era, standard media have become less profitable. This means they have become more of a "toy" for the super-rich. Moreover, the new business models of the digital era do not support the kind of investigative journalism required for the media to play their watchdog role. Most outlets do not have the resources to finance such deep investigations. And the benefits of "breaking" a story may be less, when minutes after breaking a story, it is available on the Internet through multiple other portals. Others effectively "free ride" on the original investigative reporting. As media outlets struggle for financing, the burden of paying for investigations has shifted elsewhere, e.g. to foundations and philanthropies with an "agenda." But, in the absence of investigative journalism, there is less of a check against capture.

Another important change is the rise of the much-maligned echo chamber in which people see only news that reinforces their preexisting beliefs. As a result, there is now less opportunity for the media to influence the unpersuaded; but perhaps more of an opportunity to be a cheerleader for the persuaded. In the "old" model, the press was rewarded for being balanced. Trust in the media was based in part on the fact that the reporting was not biased. By demonstrating that it was not biased—that it was a credible news source—a media outlet could expand its

readership. In the "new" model, what matters is commitment: media outlets have abandoned the hope of attracting those who see the world through a different lens. One expands readership or viewership by demonstrating that one's views are consonant with that particular segment of the market at which one aims. This enhances trust within that segment, but weakens trust on the part of others. The net result is a diminution in trust in the press in general: there is a view that the others have been "captured."

A particularly insidious situation arises (an example of this can be found in Greece) where there is an unsavory link between oligarchs, the banking sector, the media, and politics: oligarchs used their economic and political influence to get loans to buy media, loans which otherwise would not pass muster, and then use their control of the media to influence the political process—circumscribing attempts to control their economic and political power (Papathanassopoulos 2013).

The media are not just supposed to provide a check against corporate abuses, but also against government abuses, and Greece illustrates how that may fail—and may especially fail when there is a nexus between politics and corporate power, as there is in many countries, arguably including the United States.

Another instance, of quite different form, where media capture resulted in the media not being able to fulfill the watchdog role vis-à-vis the government was in Italy, where during Silvio Berlusconi's administration he owned three of the seven media stations, and government controlled another three. As a result, the checks against abuses of government ownership were weaker than in the United Kingdom and Italy was downgraded in the Freedom House ranking in Press Freedom.

There is, of course, a distinction between government ownership and government "capture." The BBC and other public broadcasters are an example of successful government ownership in that programming is balanced, objective, and representative of diverse viewpoints.

Capture through financial incentives

The media face a variety of incentives, which are amply discussed elsewhere (see for example Besley and Prat's "Handcuffs for the Grabbing Hand? Media Capture and Government Accountability" (2006), which discusses the incentives of advertising and access and how these incentives can result in the media becoming *de facto* captured). Even when media owners have non-economic objectives, they are concerned about profits (or losses), and hence worry about both advertisers and subscribers. The financial press thus becomes captured by the financial sector partly because it might lose both subscribers and advertisers were it not to reflect the viewpoints of that sector.

Similarly, both reporters and the owners of media may act as if they are captured by those they are supposed to be covering because they are aware that adverse stories may lead to a denial of access to information, leaving them at a disadvantage relative to competitors (Gans 1979; Starkman 2010).

Censorship and capture

Governments lacking freedom of the press do not have to own the press to make sure that the press reflects their views—i.e., is "captured." They can simply censor what is written. While using the word "capture" to describe government-media relationships in such a world adds no insights and provides no new perspectives on what is going on—indeed, it seems to soften what is a hard relationship—self-censorship is practiced in many parts of the world, and not just toward governments, but also toward corporates. Concern about losing advertising revenues (whether from the government or the private sector) or subscribers, as well as access to vital news that is necessary if they are to remain competitive, induces media organizations to pull their punches, to soften what they might say, and not to undertake some investigations that they might otherwise have.

Cognitive capture

In many ways, cognitive capture is the most interesting aspect of capture—the most subtle, the hardest to prove. It relates to how reporters perceive the world, and therefore how they write about it. One of the reasons that the subject is so important is that cognitive capture by media can lead to cognitive capture by society. The media help shape the views of the members of society, and if the media are captured, their reporting can give rise to the acceptance of views within society that reflect those interests. Rather than being the "fourth estate," set apart from the rest of society to provide the checks and balances necessary to make society function well, the media are embedded within society, and are little more than a reflection of the views widely shared within it. Indeed, they can become part of the echo chamber that amplifies and solidifies conventional wisdom.

Coverage of the events leading up to the 2008 financial crisis in Schiffrin (2011) (also discussed in Starkman 2014; Fraser 2009; Usher 2012) clearly illustrates these points. Maria Bartiromo may have achieved the status of chief cheerleader, but more remarkable was the dearth of those in the press who called attention to the rampant fraud, predatory lending, and other abusive practices of the financial sector. Floyd Norris, Gretchen Morgenson, Peter Goodman, and Mike Hudson stand out as among the few US reporters who questioned what really was going on.

If this form of cognitive capture is to be prevented (or at least, the extent of it lessened), which it must be if the media are to perform their societal role, then we must understand the mechanisms by which it occurs. The chapters in this book provide much insight into the process.

Some of this is almost obvious. Business and finance reporters talk to those in the business and finance sector, and to other business and finance reporters. If a strongly held conventional wisdom develops (when and how that happens is a matter of interest in its own right), then it is hard for any individual to stand against this weight of opinion, against the seeming collective wisdom. Few, if any, individuals have the capacity to weigh all the evidence relevant to any particular issue; we *have* to rely on others.[3]

It is precisely in such circumstances that there is the need for an independent press and its voice of skepticism, or at least agnosticism. But individuals are social beings, and they don't like to be the odd person left out. Moreover, there may be perverse incentives at play: a reporter who goes along with the crowd will hardly be chastised—who can blame him for not calling attention to the fact that there was a bubble, when even first rate economists failed to see it. But if it turns out that there is no bubble, and the reporter has been a naysayer, his judgment and reputation will come to be questioned. He may be viewed as an eccentric not to be trusted. Those with a good story to tell may be reluctant to turn to him to tell it.[4]

More generally, each individual's beliefs and perceptions are affected by those with whom he or she associates. Financial reporters associate with those in the financial sector—so it should hardly be surprising that the reporters often come to adopt their beliefs and perceptions. Perhaps as a guard against this, media should rotate beats; the problem is that in certain areas—finance being among them—there is a large body of expertise required for effective coverage. Such rotations go against the need for and benefits of specialization. Only someone extraordinarily well-versed in markets might know where to look to see the fraud that the banks hid so well. Apple's public relations staff does a first-rate job explaining why the EU ruling on their tax abuses was wrong; only someone extraordinarily well-versed in international taxation might discover the holes in their arguments (or at least discover them fast enough to be of relevance to the daily news cycle).

Cognitive capture is impossible to fully prevent. And yet because it is the subtlest form of capture, it is the most corrosive: in principle, readers can guard themselves against some of the more blatant forms of capture, such as that associated with ownership. They take what is written on the editorial page with a grain of salt. But cognitive capture is pervasive and often unintended. And yet, as the 2008 crisis amply demonstrates, cognitive capture undermines the ability of the media to fulfill their societal mission just as much as do the other forms of capture described in this book.

Concluding comments

The fourth estate is a critical part of the set of checks and balances within our society. When the media get captured by those they are supposed to oversee—whether

government, corporations, or other institutions in our society—they cannot or will not perform their critical societal role.

This paper has explored the various mechanisms by which capture occurs. Capture occurs in not just the obvious ones, such as through ownership, but in more subtle ways, most importantly through what we have referred to as cognitive capture.

There was a hope, at one time, that changes in our economy, in particular the development of the Internet, would lead to a press that was less captured and better able to fulfill its roles. We have explained why that has not been the case: quite the contrary.

A straightforward reading of this paper is depressing: the most insidious form of capture, cognitive capture, is particularly hard to combat. But there is a note of optimism—simply the awareness of its presence allows us to see reporting through a different lens, and perhaps to correct the distortions it brings with it. And even more importantly, as the media become aware of the pervasiveness of cognitive capture and its implications for unbiased reporting, they can set in place checks and balances to mitigate the consequences.

At the very least, a better understanding of the mechanisms of capture is necessary if we are to try to limit the extent of capture—if we are to create media that better fulfill their societal roles.

ENDNOTES

[1] Though the concept, and perhaps even the term, may have been used in earlier literature, e.g., in political science.

[2] Though we note some important exceptions to this below.

[3] Belief in global warming illustrates that few people who are not physicists or climate scientists have the capacity to weigh the evidence, the overwhelming evidence that it is occurring, with the limited evidence that might weigh in on the other side.

[4] Nalebuff and Stiglitz (1983) have described the perverse incentives giving rise to "herding" behavior.

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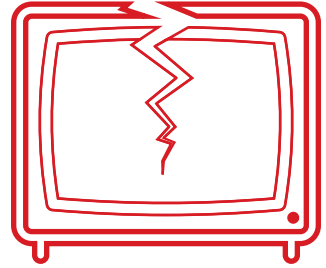
Competing forms of media capture in developing democracies

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Media capture has been historically manifest in four forms—plutocratic, state, corporate and intersecting—but the intersecting form of media capture is likely to be dominant in countries where independent media institutions are still consolidating in the context of the shift to digital forms of communication. Powerful plutocrats affiliated with political elites often seek to capture print and broadcast media to limit the scope for political debate. While new communication technologies and outlets can provide a check against this plutocratic capture, new platforms in the developing world may—as in the developed world—also be captured through advertising and corporate pressure. Because "traditional" and "new" media technologies have emerged simultaneously in many

developing democracies, these forms of capture do not replace one another, but combine and compete. This chapter relies on examples across the developing world and a case study on South African media to explore the challenges and implications of four interacting forms of media capture.

Introduction

Scholars, journalists, and activists agree that the media can play a role in the process of democratization, but what role is unclear (Jebril et al. 2013). Some argue that the media mobilize resources and people into movements for democratic change and political transition. For example, during the Cold War, pro-democracy activists in communist Eastern Europe used clandestine magazines to circulate their ideas and coordinate with one other (Voltmer 2013; Loveless 2010). Others emphasize the media's role in holding elected leaders accountable (Randall 1993; Schudson 1995): a notable instance was the US media's exposure of the Watergate scandal, leading to the resignation of President Richard Nixon. With the rise of the Internet, many scholars believe that countries will experience further democratization (Beers 2006; Shirky 2008; Rosen 1995; Gimmler 2001; Boeder 2005; Riess 2015), often citing the example of the Arab Spring protests, whose organizers relied heavily on mobile and social media (Breuer et al. 2015; Anderson 2011; Papic and Noonan 2011). Others argue that new media platforms simply create new forms of capture, with powerful technology companies controlling distribution (Bell 2016).

The media's role in democratization is deeply affected by media capture. Understanding the impact requires that we examine two features of the media system: ownership and financing. First, dispersed media ownership increases the diversity of voices and reduces the risk of system-wide media capture. This, in turn, can lead to greater press freedom, more informed voters, and healthier democracy (Voltmer 2013; Salovaara; and Juzefovics 2012). However, dispersed ownership is most likely in countries that already are democratic, and some scholars believe greater access to media—through increased demand and the spread of new technologies—might even be counterproductive in autocratic states as its spread is often captured by the state and its supporters (Petrova 2005). Second, advertising revenue (or other forms of non-government funding) can make it easier for citizens to start news organizations, freeing the media from state control (Prat and Strömberg 2013). Of course, these news outlets can equally fall under the influence of corporate advertisers or other funders, another type of capture (Gambaro and Puglisi 2009).

Media capture is a global phenomenon, but in developing democracies, these different forms of capture combine in a unique way. In many rich countries, independent print and broadcast media were well established before the rise of digital

technology, and these countries still benefit from laws, rules, regulations, and societal norms that define the role of independent media as a key component of country governance practices. Even in the highly developed countries, questions about how to manage or regulate media monopolies and govern the digital transition have proven controversial and difficult.

But in countries where independent print and broadcast media are still consolidating their position, and where societal norms and practices are less well entrenched, the challenge is even greater. Traditional media coexist and combine with digital and mobile media, creating an evolving system that is both less well defined and largely absent in most legal and regulatory frameworks. This evolving media system in the developing world creates even more opportunities for capture than in developed countries.

Widespread mobile phone usage has brought broadcast media, including radio, and social media platforms like Twitter to areas that lack both broadcast and broadband infrastructure (Csíkszentmihályi and Mukundane 2016). In India and South Africa, where regulatory changes to expand access to television were introduced in the 1990s, growth in this "old" medium has occurred simultaneously with the rise of "new" digital media. On top of this, the expansion of both digital and traditional media has taken place *during* a post-Cold War period of rapid democratization in many developing countries. Scholars call this the "third wave."

This chapter considers the forms of media capture in these developing democracies. I argue that both old and new media platforms run the risk of capture. Powerful plutocrats affiliated with political elites are seeking to capture print and broadcast media to limit the scope for political debate. While new communication technologies and outlets may provide a check against this plutocratic capture, new platforms in the developing world are also captured—as in the developed world—by advertising and corporate pressure. Because traditional and new media technologies have emerged simultaneously in many developing democracies, these forms of capture do not replace one another, but combine and compete.

Media capture by the state

The first, and most historically dominant, form of media capture is capture by the state. In 2003, 71 percent of countries in Africa had state monopoly control of their television networks. Sixty-one percent of newspapers and 84 percent of television networks in the region were controlled by state agencies. State ownership of media also was pronounced in the Middle East, with 50 percent of newspapers in government hands (Djankov et al. 2003). In 2015, the African Media Development Initiative similarly found high levels of state ownership across the continent, particularly in broadcast media (African Media Development Initiative 2015). While publicly funded media outlets in highly developed democracies often produce
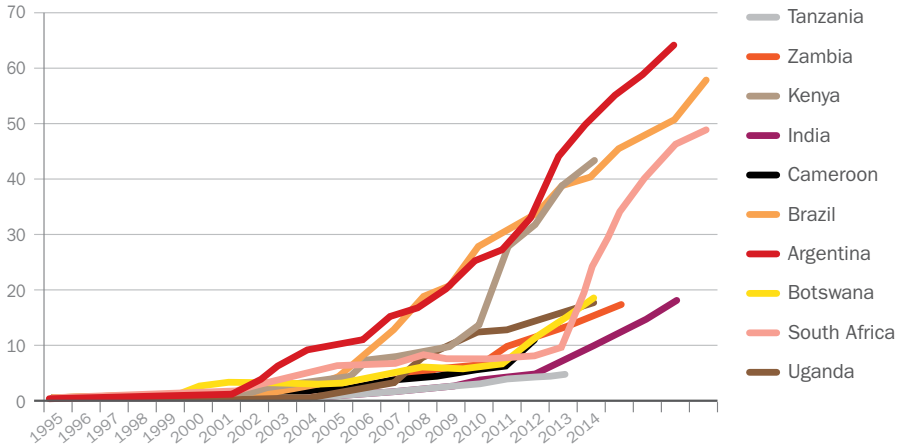
Figure 1: Internet users per 100 people. Source: World Bank World Development Indicators Database

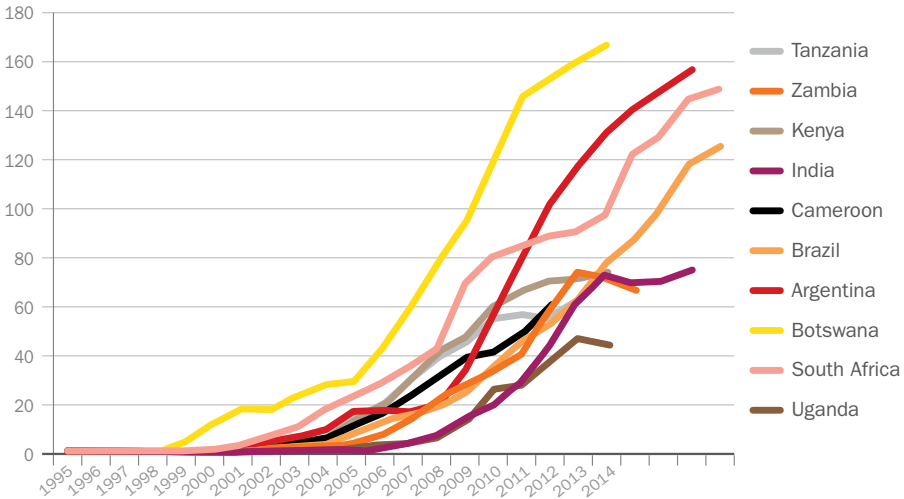*Figure 2: Mobile cellular subscriptions per 100 people. Source: World Bank World Development Indicators Database*

high quality journalism, state ownership and control mechanisms, particularly in countries with weak supporting institutions, tend to produce a wide variety of undesirable consequences, including not only biased journalism, but lower economic, political and social outcomes (Djankov et al. 2002).

Media capture by developing country state elites is rooted in the legacy of colonialism. Under colonial rule in the nineteenth and early twentieth centuries, newspapers flourished, but catered primarily to an audience of colonial elites and often as a branch of the colonial state. Independence and liberation movements in the twentieth century created their own newspapers, newsletters, and radio stations, which similarly reflected the political agenda of liberation. In apartheid-era South Africa, for example, the South African Broadcasting Corporation promoted the government's segregationist policies, while the liberation movement African National Congress relied on radical newspapers like *The Sowetan* and underground radio stations like Radio Freedom to get its message out (Kruger 2004). Post-colonial governments—often led by former independence activists—have maintained or even expanded colonial-era laws that treated the press as an arm of the state (Mitullah et al. 2014).

Even where media are not state-owned, however, they can be subject to substantial capture by the state. Tanzania, for example, has recently made it illegal for journalists to obtain or publish statistical findings that do not originate from government agencies, creating space for government to "capture" journalists through exclusive control over data.

Plutocratic capture

In the 1980s and 1990s, many developing countries sought and received aid from international financial institutions, such as the International Monetary Fund and the World Bank. These organizations demanded policy changes from governments who received their funding. In the first wave of programs—called "structural adjustment"—recipient countries had to privatize and deregulate industry. In the second wave, which placed more focus on so-called "good governance," borrowing countries were asked to democratize by cracking down on corruption and expanding the role of civil society groups.

In theory, the media industry was to benefit from both sets of reforms, with liberalization, deregulation, and the expansion of civil society contributing to a more diverse, democratic press. Indeed, during the democratization boom, many countries introduced media policy reforms. In Kenya, for example, two waves of media liberalization, in 1997 and 2006, were linked to two waves of democratization: in 1992, when opposition parties were legalized; and 2002, when strongman president Daniel Arap Moi was booted from office (Ibid.). Tanzania similarly transitioned to private ownership of media after multi-party politics were introduced in the 1990s (Jones and Mhando 2015).

Yet across the developing world, and contrary to what international financial institutions expected, privatization did not lead to greater diversity in media ownership, but to the concentration of media ownership among wealthy individuals and families through media conglomerates with ties to these elites. In Tanzania, four

large conglomerates control the bulk of print and broadcast platforms; the major shareholders of these companies are, in turn, the wealthiest Tanzanians (Ibid.).

In India, this trend has been most explicit in the recent acquisition of the media group Network 18 by Reliance, the country's second-largest business and a family-owned conglomerate controlled by the country's wealthiest family, the Ambanis, who are also prominent political donors. In Latin America, where private ownership dominates the media sector, civil society groups have identified concentration as a top cause of concern for democracy in the region (Podesta 2016). The rise of digital media has raised the hope of a challenge to this form of capture, but, in fact, media conglomerates in Latin America—like Brazil's Organizações Globo—have been able to extend their monopolies into the digital television and video realm (Sinclair 2014). The University of British Columbia scholar Wisdom Tettey concludes that although developing countries have successfully liberalized and now have "private" media, it does not follow that these media are independent from capture (Tettey 2001).

This pattern has important consequences for democracy because international financial institutions saw the liberalization of industry (including media) as crucial to democratization. In Cameroon, where these international programs began in the 1980s, plutocratic capture of the media has increased. Wealthy individuals both within and outside the state use the practice of "gombo," or financial and access incentives, to keep coverage on their side. This creates a patronage system where journalists can access greater economic privileges than the public they ought to serve. This social and economic gap between individual journalists and the wider public makes the media seem "out of touch" with people's needs and interests. That reduces public trust in the media, undermining any potential media contribution to democratization (Ndangam 2009).

The Cameroonian case highlights the problems and pitfalls of equating privatization and increasing media access with democratization. Plutocratic capture occurs when media reformers focus on the goals of privatization and increasing the quantity of media available to consumers at the expense of other metrics of a strong free press. In this way, donor-funded democratization has replaced state ownership of media—an explicit form of capture—with more indirect forms of capture by politically connected plutocrats.

Corporate capture

In many "third wave" countries, economic liberalization also created a new class of corporate elites, who can impose a third form of capture on journalism.

In India, media liberalization has placed power in the hands of corporations who fund print and television news through advertising (Rao 2010). Where in the West the rise of advertising revenue in the nineteenth century freed news organizations from state capture, today's advertising market does not provide financial security, but instead leaves news organizations competing with one another for

Advertisers in India have many new outlets to choose from each year. Here, a wide array of magazines in a newsstand in Kochi. Photo Credit: Liji Jiniraj (Flickr)

small margins. That's because with expanding print and broadcast media and the rise of online platforms, advertisers have many choices of where to place their messages, as well as more power to drive down the price or demand favorable coverage. Broadcast advertising space in India is now growing at a rate of 35 percent a year, reflecting a dramatic growth in the number of media outlets operating and the amount of time per hour devoted to advertising (Painter 2013).

Economic growth in the developing world also has been concentrated in urban areas, making it difficult for rural news organizations to find advertisers. In both South Africa and Botswana, for example, advertising for rural media or media catering to poor communities is so hard to come by that communities still depend primarily on captured state-owned media (Sechele 2015; Milne and Taylor 2015). In Zambia, the gap has instead been filled by nonprofit corporations—churches and other religious charities who both donate to and advertise in media in target areas (Banda 2015, 36). Where these donors and advertisers are the only ad buyers in a market, they have great leverage to shape media content.

Intersecting capture

India is a particularly fascinating case. Growth in online and mobile media has been among the fastest in the world, and yet plutocratic and corporate capture remain powerful forces. This suggests that new platforms and liberalization will not reduce media capture. Indeed, they may not even replace capture by the state:

instead, different forms of capture can combine. For example, in Argentina, advertising capture does not merely benefit corporations, but can benefit the state when state agencies act as prominent advertisers (Di Tella and Franceschelli 2011).

Case study: South Africa

In South Africa, the apartheid system placed the media under an extreme form of capture by the state, with a state-owned broadcaster, the South African Broadcasting Corporation, operating as a propaganda arm of the state, while publications allied to the liberation struggle were heavily suppressed (Kruger 2004). During this period, independent media relied upon international support from donor agencies interested in using the media to support the anti-apartheid movement (Lloyd 2013, 13).

Since the democratic transition in 1994, this international support has declined (Ibid., 6), while tight state control of SABC by the new ANC government has remained. Privately funded independent media are available in English and Afrikaans, but more than 90 percent of South Africans still rely on SABC, whose radio and TV offerings cover all the country's languages (Ibid., 10). This dependency is particularly acute in rural areas, where alternative and independent media do not reach (Milne and Taylor 2015).

Moreover, the ANC government has retained apartheid-era laws, including the National Key Points Act, that allow for restrictions on reporting on grounds of "national interest," while introducing new anti-terrorism laws containing similar provisions, leading to criticism that SABC is an arm of the ANC much as it was an arm of the apartheid system three decades ago (Freedom House 2015). At the same time, the SABC receives less steady funding from the state than it did in the apartheid-era, and instead relies predominantly (80 percent of revenue) on advertising. The networks are thus subject to both corporate and government capture (Lloyd 2013, 14). Internet consumption also is growing in South Africa—about half the population is online—and the advertising market in the country is experiencing declines in ad rates that are similar to the declines in more developed markets. The financial squeeze makes news organizations more financially vulnerable and more prone to capture by corporate backers (Ibid.).

The ANC also benefits from plutocratic capture of media by government allies. This capture has been aided by the consolidation of the media sector in the years since the democratic transition, as smaller outlets dependent on international support have folded or merged with larger companies to stay afloat (Ibid., 6). Four companies dominate the legacy print media; the largest, Independent News and Media, was acquired in 2013 by Sekunjalo Investments, an ANC affiliate, prompting a staff walkout (Freedom House 2015).

Finally, the Gupta family—close personal and political allies of President Jacob Zuma and proprietors of a large business empire—has introduced a new national daily newspaper and a 24-hour TV station, both taking a pro-ANC editorial line. The controversy surrounding the Gupta case illustrates how state, corporate, and plutocratic capture can intersect. Critics of the Guptas say they have captured the South African state, and place the scandal within a wider pattern of the ANC's post-apartheid rapprochement with business. Defenders of the Guptas, however, say rival media outlets (which are advertising-financed and mainly run by white proprietors) are "captured" by the Guptas' white business rivals (*Black Opinion* 2016; Grootes 2016). Both sets of critics use the idea of "capture" to make their case.

These intersecting forms of capture have strong links to South Africa's democratic transition, in that the collapse of external funding for independent media reflected donors' belief that the 1994 handover of power and a constitution guaranteeing formal freedom of the press were sufficient to guarantee substantive journalistic integrity (Kihato 2001). As a consequence, South African media are now dominated by publicly controlled but advertiser-supported SABC and a tightly consolidated print sector owned by companies and individuals with close ties to the ruling party. Neither is fully capable of challenging the power of the ANC government. Most crucially, in South Africa, where democratization is closely tied to the goal of racial equality and the racial "transformation" of the economy, the only independent media company with substantial black ownership is Independent Media, Ltd., owned by an ANC-affiliated investment firm, while the majority of black news consumers rely, for language reasons, on the state-owned SABC (Muirhead 2016). In that sense, the effects of capture are worst for those news consumers – black South Africans – whom the democratic transition was most intended to benefit. Intersecting forms of capture, then, prevent the South African media from fulfilling their democratic promise.

Interactivity and participation

Due to the unique chronology of media technology in developing countries, many media platforms combine old and new technologies. Of particular note are radio programs that interact with their listeners over mobile phone networks. These programs encourage listeners to shape coverage via text message, using services like Frontline SMS and FreedomFone. In Kenya and Zambia, about 20 percent of radio listeners regularly participate in such programs, and in Kenya, listenership for participatory programs is higher than for radio overall (Lopes et al. 2014). Indeed, even where access to radio handsets has declined, listenership of radio programs—through phones and the Internet—is increasing (Mitullah et al. 2014).

Interactivity and participation can contribute to a more democratic media in two ways. First, research on online interactive media shows that users of these media tend to hold more positive views about democracy over time (Anduiza et al. 2012,

South African President Jacob Zuma is facing criticism about his relationship with the Gupta family and their business empire. Here, Zuma with Atul Gupta at a breakfast financed by the South African Broadcasting Corporation in 2012. Photo credit: Government of South Africa, Flickr.

241). In countries where universal access to the Internet remains a long-term goal, adding interactive features such as call-ins and text engagement to existing media platforms such as radio can play a similar role. Second, one of the most common criticisms of emerging democracies has been that the development of formal features such as elections and political parties has not been matched by a change in political culture. Scholars complain of "choiceless democracy," where all parties offer the same policies, and where popular participation in politics is low because voters do not perceive that they have influence (Mkandawire 2006). Participatory media that connect voters to political leaders and national debates, and bring electoral politics into closer dialogue with popular needs, may help to bridge this gap.

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Media capture in the digital age

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Media ownership has historically been driven by just three motivations: power, public service, and profit. Power was the primary motivation in the early years of news until mass-market journalism turned the industry into a profitable business. Digital media are changing that equation again. With profit on the decline for news outlets, we are likely to see both the best and worst of times in news, with investments in journalism propelled both by personal interest and public interest.

Introduction

The rise of digital media is making news production less commercially attractive without decreasing its political and social significance, meaning news media are less profitable but still powerful. This development means that countries with a twentieth century history of relatively independent private media that maintain a degree of journalistic autonomy in part through their profitability—like the United States and parts of Western Europe—are likely to see a twenty-first century resurgence of more captive, politically instrumentalized news media.

This type of media—subsidized by proprietors, social and political groups, or governments—is common in most of the world, and we also know it from the past. To understand why this form of captured media will increase, we need to examine the basic rationales for owning and operating media (power, public service, profit), how the balance between them has changed over time (and how this has shaped journalism), and what the rise of digital media means for how compelling each rationale is for investing in news.

Three basic rationales for investing in news

Consider the three basic rationales for owning and operating media. The first is *power*. All sorts of media are or have been subsidized by other actors to exercise power—to change the world, or to keep it exactly as it is, to get a bigger slice of the pie, or to defend what one has. The second is *public service*. Public service is about politically mandated delivery of a service to the public, in whole or in part funded with public resources; in the case of media, this is accomplished through organizations that aim to serve a broad audience and enjoy a degree of autonomy from government (those publicly funded that are not independent of government are better seen as state media operated to exercise power). It can also take the form of non-profit media indirectly benefiting from public support through, for example, favorable tax legislation. The third is *profit*. Private enterprise invests in many different kinds of media, from upmarket financial newspapers to tabloids, from talk radio to television documentaries, to make money.

These rationales are rarely the *only* motivation for owning and operating a media organization. (Though Gannett Chairman Al Neuharth allegedly once, when asked at a meeting how to pronounce the media company's name, answered that the emphasis was on "net—as in money.") They are ideal types. Similarly, the dominant rationale will not determine everything people in an organization do; plenty of journalists working for media organizations operated for power or profit are committed to public interest journalism, and some working at public service media are

in it for the money. But it provides a starting point for understanding why there are media organizations rather than no media organizations, why thousands of journalists are employed to do journalism, and why large sums are invested in news. The three main reasons are power, public service, and profit.

From power to profit

Historically, journalism and news media were primarily based on the first rationale, power. What we now know as newspapers developed out of official gazettes published to promote and publicize government actions and newssheets circulating inside information useful for various elites (Pettegree 2014). Pamphlets and journals were published by political and religious reformers who wanted to change the world. The writers behind them, and the gazettes and journals that were institutionalized enough to appear regularly and survive over time, neither had nor sought the kind of autonomy, independence, or impartiality to which many journalists and news media today at least aspire. They were organs of influence, and funded to be organs of influence, whether by parts of the establishment or by anti-establishment forces.

In the nineteenth and especially the twentieth century, however, the third rationale, profit, became more and more important. News has always been at least in part a business (John and Silberstein-Loeb 2015). But how much of what we refer to as "the media" is primarily a business, and how big a business it is varies over time and across countries. In the United States, the profit motive became a more central and important part of the media, especially after the "commercial revolution" that started with the first penny papers launched in the 1830s (Schudson 1978). Newspapers before then were sold by subscription and aimed at the elite. The penny papers explicitly sought a wider, more popular readership, and found it, attracting audiences and, increasingly, advertising. They became large, profitable businesses in the process.

Penny papers like the *New York Herald*, the *New York Sun*, and the *New-York Daily Times* (it has since dropped "Daily" and hyphen) changed the news industry not only through their commercial success, but also by investing in more active newsgathering and by enabling the development of a journalistic profession more oriented toward serving their reading public than their proprietor. The relationship between money and journalism was never simple or without friction, but most penny papers were at least in principle committed to the idea of a "free press" and political independence, rather than partisanship or patronage. Their commercial success helped enable the development of news media and journalists with a degree of autonomy and independence from the political interests frequently behind media published in the pursuit of power (Schudson 1978).

The profit motive thus grew more important over time, and private enterprise gradually displaced politically interested proprietors as more news organizations professed independence and fewer declared a partisan affiliation or other political

motivation. Power was never completely driven out, but profit became the primary motivation for investing in news in the United States. Newspaper publishing became big business. By 2000, total advertising and sales revenues were at an estimated $60 billion, and more than 1,400 daily newspapers employed more than 56,000 journalists.

Both radio and later television broadcasting in various ways went through broadly similar developments, from early stages where many different motivations, including power (for political or religious reform) and public service co-existed, to a more commercially dominated and profit-oriented environment (Barnouw 1968). In 2000, television broadcasting alone was an over $85 billion-dollar industry, radio an over $20 billion-dollar industry, and television and radio broadcasters together employed an estimated 12,000 correspondents and reporters. While there were other media in the United States motivated by power (small journals of opinion running at a loss) or public service (public media supported by grants, donations, etc.), these for-profit newspapers and broadcasters defined the media industry, and, for good and ill, produced and distributed the overwhelmingly majority of the news ordinary people relied on. This is the industry that has been deeply disrupted by the rise of digital media.

Different developments around the world (less profit, more power and sometimes public service)

Before turning to the implications for media capture and the balance between the three different basic rationales of power, public service, and profit, it is worth pointing out that the United States is a special case and not representative of developments elsewhere. Even within the world of otherwise relatively similar high-income democracies, the details of this overall development varied in significant ways.

In the course of the nineteenth and twentieth centuries, the profit motive has generally risen in importance as mass media became more lucrative, but its relative dominance of the media industry as a whole differs from country to country. Some countries, for example in Southern Europe, never really developed the kind of widely read and relatively independent newspapers seen in the United States, and many publishers continue to be deeply intertwined with proprietors' wider commercial and political interests—who operate their media at least in part to exercise power (Hallin and Mancini 2004). In other countries, most importantly in Northern Europe and some commonwealth countries like Australia, Canada, and New Zealand, a large for-profit media industry grew throughout the twentieth century, but for-profit media never dominated the environment to the same extent as in the United States, as a broad coalition from across the political spectrum made an early and significant commitment to the idea of public service media, defining broadcasting as a public utility that should be developed in the national interest.

The most famous example of public service media is the British Broadcasting Corporation (BBC), which still is operating on the basis of the three pillars put

in place in the early twentieth century: (1) the commitment to inform, educate, and entertain; (2) a licence fee paid by most households receiving its services; and (3) a high degree of autonomy from government and Parliament secured through multi-year charters (Scannell 1990). The motivations for these public service interventions vary, but normally include the idea that society as a whole benefits from public investment in public service media that can serve underserved constituencies, tie people together through shared news and experiences, address market failures in areas including news and national culture, and heighten standards by leading by example. These motives have, at least in some countries, historically appealed to both the political right (interested in social cohesion and national culture/tradition) and left (interested in balancing for-profit media with public service media with a broader mandate and mission). How much is invested in public service media varies. In 2011, public funding for public service media varied from about $50 per capita in France and the Netherlands, to over about $90 per capita in the United Kingdom, to about $130 per capita in Germany and several of the Nordic countries. The United States—with investments under $4 per capita—is a clear outlier (Benson and Powers 2011).

Beyond high-income democracies, in countries that account for most of the world's population the situation is even more diverse. In low- and medium-income democracies, especially in those where the political process is vulnerable to special interests, many nominally independent media are operated by their proprietors to influence politics in ways that advance their political ideals or, more commonly, profit other business ventures, often in politically entangled areas like real estate, telecommunication, or resource extraction. It is estimated, for example, that at most a handful of the more than 400 news channels in Indian television actually make money (Mehta 2015). The rest are subsidized by their proprietors, many of whom are politically connected or active in politically sensitive industries. Similarly, many newspapers in Brazil are seen as deeply entangled with private and political interests that have little to do with making money off publishing, let alone delivering a public service (Harlow 2012). In semi-democratic and non-democratic regimes, state-control can be even more heavy-handed, through direct ownership and the appointment of senior editors and managers, or through tactical deployment of advertising budgets from government bodies and private companies affiliated with the ruling block in ways that reward loyal media and punish oppositional media (Yanatma 2016; Zhao 1998).

Power, public service, profit, digital media, and media capture

The historical development of the media industry and its gradual move from being primarily dominated by media operated to exercise power to being dominated by media operated to make a profit (in some cases with significant parts of the industry committed to public service) is important to understand, because it is the story

of how what social scientists call "media capture" came to be seen as an aberration in some countries, though it really is the historical and global norm.

The term "media capture" has been used by economists particularly interested in media being captured by governments in ways that influence their coverage in ways that reduce the degree to which they help people hold public power to account (Besley and Prat 2006). Media scholars have been quick to point out that media being captured by private commercial interests is at least as common, similarly influencing their coverage in ways that reduce the degree to which private power is held to account (Gross and Jakubowicz 2013). Basically, then, media capture is about what in journalism research is called "instrumentalization," media being operated not for profit or for public service, but as an instrument for the pursuit of other interests, either purely political or tangled up between politics and commerce (Hallin and Papathanassopoulos 2002). It is about media being operated to exercise power.

The history and wider global outlook above is important to underline three things. First, most media have not for most of human history been independent, but captured. Second, many media in many countries around the world today, including some in high-income democracies, are wholly or partially captured, used as instruments by political actors, governments, or other self-interested proprietors to exercise power, to get what they want, or to prevent others from getting what they want. Third, power does not simply disappear as a dominant rationale in the media industry, but it may be relatively marginalized and crowded out if public service and/or profit become more important.

This is where we return to the rise of digital media. The growth of the Internet, and in particular the move from circa 2005 onward toward an increasingly digital media environment, has had three major consequences for news.

First, it has empowered billions of ordinary people who have access to more information from more sources in more ways at greater convenience and a lower price than ever before, and can furthermore create, comment on, and share content more easily than in the past. How and what we use it for in practice varies, but we are in principle empowered.

Second, it has been accompanied by the rise of a small number of centrally placed and powerful US-based large technology companies (most importantly Google, Apple, Facebook, Amazon, and Microsoft), which through their popular and widely used services and products structure large swaths of our media environment and dominate the digital economy both in terms of app sales and advertising. We are empowered, but so are the platforms.

Third, the combination of what digital media allow us to do, how we use them, and the companies that most successfully help us do it is basically threatening to destroy the business models of sales and advertising that for-profit news media

have historically relied on. This is critical, because it changes the balance between the three basic rationales of power, public service, and profit identified at the outset.

The US newspaper industry is a powerful illustration of the change. Though newspapers have garnered far more new digital users than they have lost print readers since 2000, declining print circulation and advertising means legacy revenues have fallen from about $60 billion to about $30 billion, and digital revenues only amount to $3.5 billion—little more than a tenth of what has been lost on the print side. Newsroom employment has been cut in half, from about 60,000 to just over 30,000. Television has so far held up better business-wise, even as news budgets have been cut. But with the rapid rise of online video, many observers see the industry as ripe for a disruption that may rival that experienced by print (Nielsen and Sambrook 2016). For-profit news production is thus seriously challenged. Crucially, however, it remains politically and socially significant as news media produce most of the information we get about public affairs and help us connect with the world around us. News media are as a result less profitable, but still powerful.[1]

This means that the profit rationale, while still important, and sometimes desperately so, longer-term is likely to be relatively less pronounced as part of the overall (news) media environment. In the twentieth century, news was a big and profitable business. In the twenty-first century, it will be a smaller and less profitable business, in large part because of the rise of digital media that has involved the commodification of much content, lowered advertising rates, and the rise of dominant technology companies, all at the expense of the news industry.

Whether the public service rationale will become a bigger part of the overall mix depends in large parts on the political and philanthropic scene in specific countries. But the power rationale is bound to become more pronounced simply because the barriers to entry are coming down and other media are under tremendous structural pressure. We already see this in the simple sense that the same digital media technologies that empower ordinary people to create, comment on, and share comment are used on a very large scale by political organizations, interest groups, civic associations, and private companies, often at least in part to advance their self-interest in the marketplace of ideas. The idea that every organization is a media organization has never been more true than today. We are also likely to see this in the form of increased media capture—of news organizations either being bought by or launched from scratch by self-interested actors in pursuit of power. How it develops will be highly context dependent and differ from country to country, influenced at least by four factors, namely (1) How politically and socially important are news media seen to be?; (2) What alternative means are available to political actors and others pursuing power?; (3) Do political actors and their allies have the resources to invest in news media?; and (4) Are there any regulatory or other constraints on media ownership and the like?

Everything else being equal, the barriers to a political (re)entry into the media industry are coming down. Consider just one illustrative example: the casino-magnate and major Republican donor Sheldon Adelson's secret acquisition in 2015 of the *Las Vegas Review-Journal* for $140 million (widely considered to be about twice the market value), the main paper in a state where Adelson has extensive and politically sensitive business interests. Ten years ago, the paper might have cost half a billion. Now it is widely seen as beset by major conflicts of interests as it covers many stories involving its owner. Another example of Adelson's media activities is his free daily *Israel Hayom*. The biggest title in Israel in terms of circulation, critics call it "Bibiton" due to its support for Benjamin Netanyahu, the prime minister personally backed by Adelson. The journalist and opinion-writer Ben-Dror Yemini has described it as "endless capital with a political agenda." As the *Haaretz* journalist Amir Teig puts it, the Israeli newspaper business is "no longer a profit-oriented industry," but "an influence-oriented industry." Maybe this is what the future holds.

If so, this development will be powered by digital media that have made news less profitable as a business and cheaper to produce for political purposes. In many ways the relative decline of power and the resurgent interest in media run to exercise power will represent a return to the past and the global norm. It will be the opposite of what economists might expect, where the assumption has normally been that more competition would lead to less media capture (Ushioda 2012). This is likely so, provided functioning for-profit business models exist that can sustain a large number of independent players. That is not clear today. What is clear is that digital media are simultaneously empowering citizens, self-interested actors, and large technology companies while undermining the business models that for parts of the twentieth century gave some news media in some countries a higher degree of autonomy and independence than what most media in most of the world for most of history have enjoyed. In that sense, we may live in the best of times and the worst of times.

ENDNOTES

[1] Developments in public service media are a separate story. Basically, the underlying political rationale is in many countries under pressure from (a) private media who feel public service media crowd them out of the market; (b) parts of the political right who no longer consider the motivations that historically drew others on the right to public service media (social cohesion, national culture/tradition) are important enough or undersupplied enough to merit large-scale market intervention; and (c) the relative absence of a clear and broadly accepted justification of what the purpose of public service media are in an in some senses abundantly supplied media environment. The difficulties many public service media have had in making the shift from broadcasting to cross-platform media only compounds this as many reach primarily older audiences (Sehl, Cornia, and Nielsen 2016).

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Clientelism and media capture in Latin America

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Several Latin American countries present a textbook example of a captured media system. In many instances, seemingly free and independent media outlets remain owned or buoyed by the same corporate interests that supported the region's past authoritarian regimes. But the region also offers a study in contrasts where new, high-quality digital media funded by foreign donors exist alongside corporate-owned media outlets. This chapter surveys the Latin American media landscape, discusses its legacy of clientelism and capture, and looks at how digital start-ups and non-profit resources could still change it all.

A proliferation of digital outlets

Between 2009 to 2014, the publication of in-depth, investigative pieces in literary magazines, books, and platforms outside the mainstream media became a common occurrence in Latin America. Professionals seeking to overcome the limits posed by more traditional media have found ways to conduct independent reporting about social and political issues, such as the effects of violence, corruption and human rights abuses. As such, independent, native digital media continue to thrive across the region, exposing the abuse of power and wrongdoing, and fostering technological and creative innovation in storytelling and fact checking. These include *El Faro* in El Salvador, *Plaza Pública* in Guatemala, *Animal Político* in Mexico, *Ojo Público* in Perú, *Ciper* in Chile, *Chequeado* in Argentina, *Agencia Pública* in Brazil, and *La Silla Vacía* in Colombia, to name just a few.

According to a recent study (Meléndez Yúdico 2016), many of these journalistic initiatives are either funded or devised with the help of international organizations that not only provide training and development in new digital skills, but also foster collaborative work across borders. However, it is not clear whether new digital outlets are, in fact, financially sustainable. Much of the excellent work being carried out independently has depended or relied on the talent and initiative of visionary professionals who, given the costs associated with producing quality journalism and investigative reporting, often struggle to sustain their projects. Others depend on international donors, non-governmental organizations, trusts, or universities, whose resources are finite. For most of them, however, digital advertising continues to be the most common source of revenue. Though their numbers are growing in the digital media ecosystem, independent outlets still tend to be the exception rather than the norm in Latin America.

Decline in press freedom

Apart from the challenges brought by technological change, journalists in mainstream and traditional media still confront challenges to their professional autonomy. Press freedom across Latin America has declined in recent years, according to the latest report by Freedom House (Dunham 2016). Only Chile and Uruguay, two of the most established democracies in the region, are labeled as "free," while five others—Mexico, Honduras, Cuba, Ecuador and Venezuela—are classified as "not free" for various reasons. The rest of the countries in the region, including Argentina, Brazil, and Colombia, are currently classified by Freedom House as partially free.

Examples of independent news media outlets in Latin America

COUNTRY	MEDIUM	MEDIA TYPE	CONTENT FOCUS	BUSINESS MODEL	SAMPLE OF EXEMPLARY WORK	LAUNCH DATE
ARGENTINA	Chequeado *www.chequeado.com*	NGO/ Foundation	Fact-checking initiatives through the use of open data	International support; individual donors; workshops, events and seminars	Launched its own "DatoDuro" (hard facts) app	Oct. 2010
BRAZIL	Agencia Publica *www.apublica.org*	NGO/ Foundation	Investigative journalism with creative storytelling (i.e. comic format)	International support; crowdfunding	A comic-based, investigative project on sex trafficking of children during the Brazil World Cup *http://apublica.org/2014/05/hq-meninas-em-jogo*	March 2011
BOLIVIA	La Pública *www.lapublica.org.bo*	NGO/ Foundation	Citizen journalism; indigenous language content	International support; and local trusts	Datavo, a project to foster data journalism and data visualization	May 2014
CHILE	Centro de Investigación Periodística *www.ciperchile.cl*	NGO/ Foundation	Use of access-to-information laws for in depth-reporting	International donor support; university funds; funds from media consortiums	A data journalism project that traces possible conflicts of interest by tracking the links between public servants and the private sector *www.lapuertagiratoria.cl*	May 2007

COUNTRY	MEDIUM	MEDIA TYPE	CONTENT FOCUS	BUSINESS MODEL	SAMPLE OF EXEMPLARY WORK	LAUNCH DATE
COLOMBIA	La Silla Vacia *www.lasillavacia.com*	For-profit	Investigative journalism; data journalism	International donor support; Advertising; Consultancies; workshops and seminars; crowdfunding; content sponsorship	Proyecto Rosa, a multimedia, arts project on the victims of violence in Colombia *www.proyectorosa.com*	March 2009
ECUADOR	GKillcity *www.gkillcity.com*	For-profit	Narrative & literary journalism	Crowdfunding; content sponsorship; advertising	Produces weekly multimedia and interactive stories based on narrative and literary journalism	June 2011
EL SALVADOR	El Faro *www.elfaro.net*	For-profit	Long-form, narrative and Investigative journalism	International donor support; advertising; workshops and events; content sponsorship; crowdfunding; product sales	*Sala Negra*, a micro-website with in-depth reporting on violence in central America *www.salanegra.elfaro.net/*	May 1998
GUATEMALA	Plaza Pública *www.plazapublica.com.gt*	Non-profit University-based initiative	Investigative and long-form journalism, narrative innovation	University funds and facilities; international donor support	Produces data visualization and interactive stories, such as this interactive, investigative piece on the distribution of power in the congress *http://www.plazapublica.com.gt/content/distribucion-de-fuerzas-del-partido-patriota*	Feb. 2011

COUNTRY	MEDIUM	MEDIA TYPE	CONTENT FOCUS	BUSINESS MODEL	SAMPLE OF EXEMPLARY WORK	LAUNCH DATE
MÉXICO	Animal Político	For-profit	Politics, current affairs, investigative journalism	Advertising; crowdfunding; international donor support	*NarcoData*, a platform to track drug cartel activity and its societal effects in Mexico *http://narcodata.animalpolitico.com/*	Nov. 2009
PERU	Ojo Público *www.ojo-publico.com*	NGO/foundation	Investigative journalism, data journalism and digital innovation	Self-funding; international donor support; workshops, events, and seminars; third-party development; crowdfunding	*Cuentas juradas*, a search engine, app and website to track candidates' assets *http://cuentasjuradas.ojo-publico.com/*	Sept. 2014
URUGUAY	Sudestada *www.sudestada.com.uy*	NGO/foundation	Stories on transparency; access to information; open government; and corruption	International donor support	Developed web applications and interactive pieces such as *Quién Paga?* to track the assets of elected officials	May 2014

Source: Author's research

In some countries, such as Mexico, Brazil and Guatemala, factors like organized crime, government corruption, extreme violence, weak rule of the law, and impunity put journalism and journalists at risk. In other countries, according to the Freedom House report, the growing intrusion of the state in the media—in both the management of media outlets and the content that they produce—is the main threat to press freedom.

While Freedom House mentions Ecuador and Nicaragua as the primary countries where officials are hostile toward certain media organizations and journalists, Argentina tops the list of "countries to watch," where changes in the press freedom environment are likely, for better or for worse (Dunham 2016, 6). The organization cautions that although the election of Mauricio Macri as president of Argentina in late 2015 appeared to mend relations with the conservative press, "it remains unclear whether he will allow impartial regulation or simply shift the government's bias from left to right" (Dunham 2016, 6). But such political realignments are only part of the story when organized crime, intrusive governments, and corporate power continue to undermine press freedom across the region.

The future of the media in Latin America

So what is the future for quality journalism in Latin America, particularly the kind that holds institutions accountable? There are signs that social media and digital technology have provided a platform for citizens to discuss their own issues and shape alternative agendas. Still, capture and clientelism are pervasive factors that hinder the independence and quality of journalism. They undermine the freedom of the press and the healthy role of the media as watchdog.
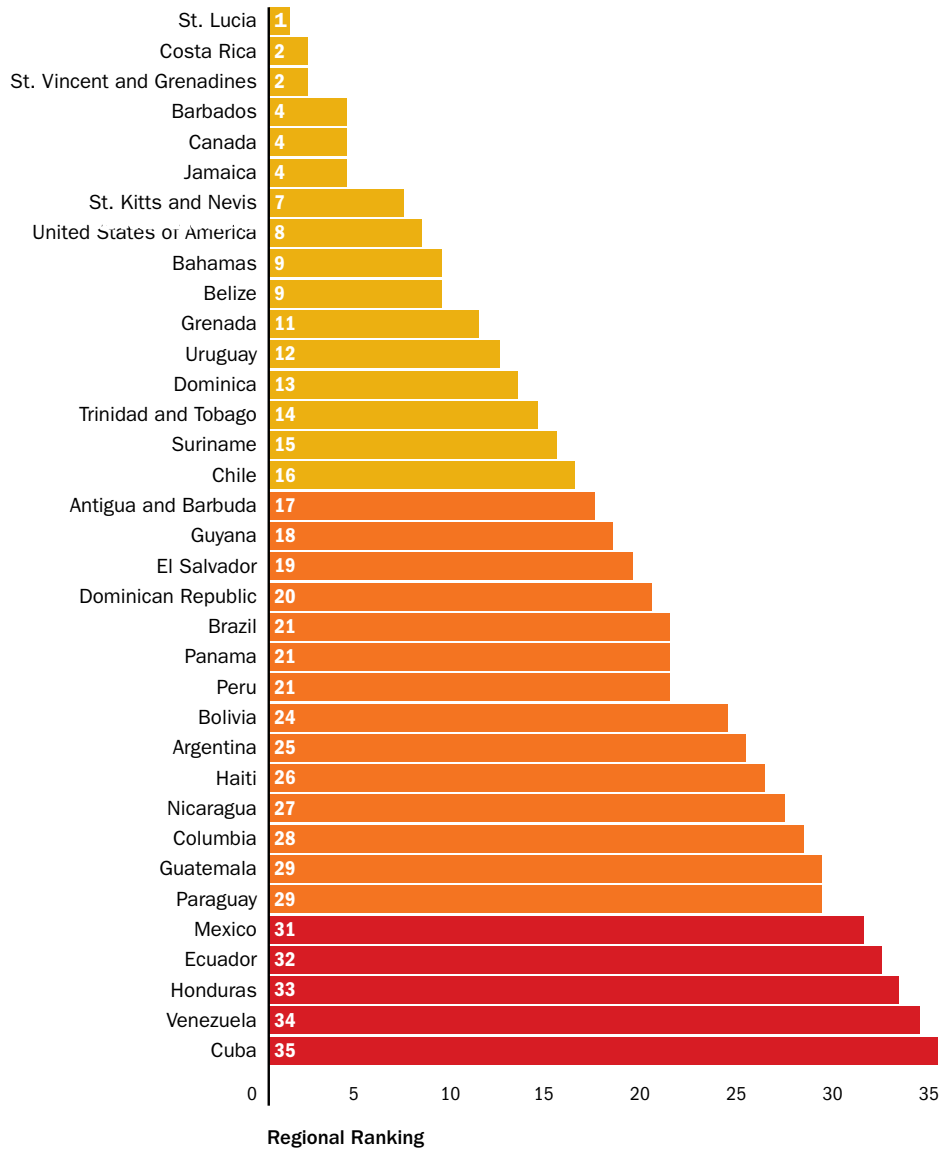
Capture and clientelism are at the core of two contrasting yet overlapping developments observed by experts and scholars in the past two decades in the region: a high degree of media concentration fueled by market-oriented communication policies, and the re-emergence of state intervention (Mastrini et al. 2013; Waisbord 2013; Guerrero and Márquez-Ramírez 2014). It is a common belief that authoritarian states often employ harsh regulation or subjugate media to ensure the control of information. However, in the case of Latin America, a symbiotic relationship between authoritarian states and private, commercial media has long existed, resulting in a lack of regulation enforcement and the configuration of mutually beneficial alliances and complicity between media barons and political elites.

Historically high levels of media concentration

How did we get here? Historically, Latin America has been one of the world regions with the highest levels of media concentration, as some of its countries are home to the biggest media conglomerates of the Hispanic and Portuguese-speaking worlds. The majority of these media conglomerates first emerged as family businesses that ran for generations, and gradually consolidated as the market leaders. They grew to

their current giant proportions with the neoliberal reforms of the 1980s and 1990s, when market deregulation increased their assets and shares.[1]

Freedom of the Press in Latin America and the Caribbean in 2016

Country	Regional Ranking
St. Lucia	1
Costa Rica	2
St. Vincent and Grenadines	2
Barbados	4
Canada	4
Jamaica	4
St. Kitts and Nevis	7
United States of America	8
Bahamas	9
Belize	9
Grenada	11
Uruguay	12
Dominica	13
Trinidad and Tobago	14
Suriname	15
Chile	16
Antigua and Barbuda	17
Guyana	18
El Salvador	19
Dominican Republic	20
Brazil	21
Panama	21
Peru	21
Bolivia	24
Argentina	25
Haiti	26
Nicaragua	27
Columbia	28
Guatemala	29
Paraguay	29
Mexico	31
Ecuador	32
Honduras	33
Venezuela	34
Cuba	35

Regional Ranking

Source: Dunham, Jennifer, "Freedom of the Press 2015: The Battle for the Dominant Message," 2016.

Multimedia enterprises such as Globo in Brazil, Televisa in Mexico, Clarín in Argentina, Cisneros in Venezuela, El Comercio in Peru, and Santos in Colombia are key players. As the dominant players in their markets, they benefited from deregulation and increased their vertical and horizontal expansion. In Colombia, for example, the news media have become somewhat less partisan, but still reflect the prevailing political forces in the country. In addition, media regulation remains generally inefficient and more focused on content than the concentration of ownership (Montoya-Londoño 2014).

In some cases, liberalization involved the penetration of foreign capital—mostly Mexican—into local corporations, such as Miami-based *Albavisión*, an affiliate network with TV channels and other media businesses across Southeast Mexico, Central, and South America. Some countries saw economic reforms create conditions for foreign capital to ally with local corporations, including Chile's *Megavisión* network and Colombia's *Casa Editorial El Tiempo* media group. (Guerrero and Márquez-Ramírez 2014). The degree of concentration for every television network in each country can be observed in the accompanying table, "Media concentration in Latin America." The table presents the Herfindahl-Hirschman Index (HHI) score for the sector, a measure of concentration used in many industries that squares the market shares (by revenue) of the companies in an industry and then adds them up, such that a higher score indicates higher concentration. The table also presents the more intuitive measure of audience share for each of the networks.

Authoritarian rule and media influence in the twentieth century

The growth and consolidation of these media corporations were not the result of economic reforms alone. In fact, their existence is intrinsically linked to local politics and alliances, especially during the periods of dictatorships and authoritarian rule. These types of governments acted in two fundamental ways: first, many regimes prosecuted or silenced critical journalism; and second, governments established close relations with media proprietors and executives by offering protection, benefits, contracts, and subsidies.

The cornerstone of this collusive relationship is political advertising, consisting of the discretionary allocation of government advertising contracts from state agencies to their media allies. Due to the high penetration of TV consumption and small, elite readerships of print media, markets alone were insufficient to guarantee long-term economic sustainability. The steady income of public money, therefore, became the backbone of the media business model across the region, particularly for newspapers and other print media.

Media ownership concentration in Latin America

Network (Parent)	Audience (%)	Majority traded	Politician owned	Foreign owned
Argentina: HHI 2502				
Canal 13 (Grupo Clarín)	32			
Telefe (Telefónica)	32	√		√
Canal 9 (Albavisión)	18			√
América TV	12	√		
Canal 7 (State)	7			
Bolivia				
ATB				
Unitel (Grupo Monasterio)			√	
Red Uno (Grupo Kujlis)			√	
Bolivisión (Albavisión)				√
Red PAT				
Brazil: HHI 2904				
TV Globo	47			
TV Record	18			
SBT (Grupo Silvio Santos)	14			
Bandeirantes	6			
Chile: HHI 2067				
Televisión Nacional (State)	25			
Megavisión (Grupo Claro)	24			
Chilevisión (Time Warner)	23	√		√
Canal 13 (Grupo Luksic/ Universidad Católica)	18			
La Red (Albavisión)	6			√
Colombia: HHI 3898				
RCN (Grupo Ardila Lülle)	45			
Caracol (Grupo Santo Domingo)	44			
Mexico: HHI 4253				
Televisa	57	√		
TV Azteca	28			
Peru: HHI 2350				
América (Plural TV)	37			
ATV (Albavisión)	23			√
Frecuencia Latina	19			
Global (Albavisión)	8			√
Panamericana (Telespectra)	7			
Venezuela: HHI 2835				
Venevisión (Grupo Cisneros)	47			
Televén (Camero Comunic.)	22			
VTV (State)	7			
Globovisión	6			
United States: HHI 1745				
CBS (Nat'l Amusements)	25			
Fox (News Corporation)	19	√		√
ABC (Disney)	19	√		
NBC (Comcast/GE)	16	√		
Univisión (Broadcasting Media Partners)	7			
Canada: HHI 1700				
CTV (Bell Canada)	26	√		
TVA (Quebecor)	17	√		
Global (Shaw Comm.)	15	√		
CBC (State)	13			
Radio Canada (State)	9			

Source: Boas, Taylor, "Mass Media and Politics in Latin America," 2013.

In many ways, the strength and continuity of dictatorial and authoritarian rule were partially explained by the media's validation of their allies in government. For example, Mexico's PRI party ruled continuously over seven decades, and dominated several media companies. News coverage on Televisa, the network that held up to 90 percent of the market share in the 1980s, was mostly sycophantic toward the president and the government in general. This included favorable coverage of the military and the police, and would typically exclude critical and oppositional voices from mainstream reporting. Worse, in some cases the network blamed protesters for their own repression, and would not cover events and episodes in a way that made the federal government—and particularly the president—look bad

(Márquez-Ramírez 2014). Peru provided another prominent example of media-state collusion in the late twentieth century, when the national media were quick to throw their support behind the civilian-military regime led by Alberto Fujimori (Protzel 2014).

Other ways in which the regime in Mexico ensured media loyalty throughout the second half of the twentieth century were the subsidy of print media, the discretionary and opaque allocation of advertising budgets, and the informal payment of editors and reporters through payoffs. Most importantly, the government granted broadcasting licenses to key allies.[2] Some of these tactics—particularly broadcasting licenses and governmental advertising—persist today.

Such a scenario was also typical in countries like Argentina and Chile, where the mainstream TV and print media hid, and also justified, cases of human right abuses, repression, and torture on the part of the military regimes. That is why the concentration of media properties in Latin America was problematic not only with regard to market competition, but in terms of its implication for news media to provide its watchdog and public service functions.

Starting in the 1960s and continuing through the late 1970s, media scholars and experts across the region denounced the unequal access to information in the developing world. They were concerned about media concentration and unregulated, market-driven policies that, they maintained, undermined local production, voices, and creativity due to dependence on US content, formats, and technologies, as well as information supplied by Western-based news agencies.

Most importantly, in a Cold War context where dictatorships and authoritarian governments were prevalent in South America, and guerrilla movements and resistant voices sprouted up throughout the region, TV networks were instrumental in sustaining the status quo by becoming regime allies. They silenced critical voices, masked human right abuses, and generally upheld pro-capitalistic values. The movement against these practices played an instrumental role in the drafting of the UNESCO-funded MacBride report on media and communication policies.

The paradox of media capture in Latin America

Commercial forces and global markets have strengthened the concentration of international media conglomerates, and privileged corporate interests and profitable content. Moreover, digitalization and technological changes that dissolve the boundaries between platforms have made it more difficult to legislate media diversity and plurality.

Unlike cases of authoritarianism, where regimes took over private media and replaced it with state-managed, propagandist media, the collusion between authoritarian governments and private media worked in Latin America due to the high incentives for both parties and the relatively weak legal frameworks and

their loopholes. The paradox of media concentration is that its expansion coincided with public discourse on political democratization. It was assumed that market forces and media competition would gradually disentangle corrupt relations and help strengthen emerging democracies by providing a more diverse range of voices. In reality, though, the media conglomerates—not citizens—benefited enormously from "democratic" and neoliberal governments, and from market deregulatory reforms.

In countries with neoliberal rule, there are legal frameworks that protect press freedom, guarantee access of information, and, in theory, foster media competition. However, the arrival of new political groups in a context of competition, elections, and marketing implied both the creation of close relations, formal and informal, with already well-established media groups and the recognition of their interests at the expense of pluralism (Guerrero 2014). The captured nature of the media means that there are negotiations and exchanges that take place between media lobbyists and institutional powers to favor the private interests of media executives and politicians over the public good.[3] In Mexico, Brazil, Colombia, Peru, and in Central American countries, politicians have been awarded regional broadcasting licenses or own newspapers. There also are cases of media businessmen—or their allies—who run for office or legislative seats and manage to twist legislation to benefit their own business interests, not just in media but also in other sectors such as finance, energy, and technology.

In Brazil, the government in the 1980s awarded broadcasting licenses to top military officers in the region (this process is known as "Coronelismo Mediático"). Other cases include the president of Colombia, Juan Manuel Santos, whose family owns *El Tiempo*, the major newspaper group in the country; former president Sebastián Piñera of Chile, who was the main shareholder of TV Network Megavision; and Mexican tycoon Ángel González, the owner of the major broadcasting organizations in Central America who constantly is under suspicion of influencing political decisions and political appointments and candidacies.

In El Salvador, two families—Dutriz and Altamirano—own the most important newspapers and their markets. The Dutriz family has important investments in media-related and telecommunications businesses, as well as in sectors as diverse as real estate, property development, retail, steel, painting, law, and several others. The Altamirano family has had strong links with the right-wing political party Alianza Republicana Nacionalista (ARENA) (Becerra and and Mastrini 2009; Benítez 2014). Other newspaper owners in the country are also investors in coffee and sugar plantations. In Guatemala, the founder of the radio network Corporación de Radio Vision, Harold Caballeros, was a presidential candidate and former foreign minister of the current government (Gramajo 2014). In Mexico, former media executives often are promoted by their organizations to run for legislative seats in Congress and for broadcast and telecommunications commissions in order to shape policymaking and actively lobby in favor of their interests.

In sum, media elites in these countries use their media organizations and news output to negotiate good coverage in exchange for benefits for their media organizations and other business enterprises. This process of capturing policymaking to benefit big business comes at the expense of the wider social and general interest, since these various interests take over in ways that often weaken the law and policymaking.

"State capture" refers to a condition where some aspects of the policymaking process and the rules of the game are twisted in favor of certain private interests—a phenomenon that continues to happen in media and communication policy. However, the term "capture" goes even further: it highlights a situation in which powerful non-journalistic criteria shape, determine, and limit the watchdog role of the media in a context of regulatory inefficiency (Guerrero and Márquez-Ramírez 2014).

Progressive and populist politics and twenty-first-century media capture

So what is the solution? Are media captured solely by corporate and political interests, in alliance with their corporate cronies? What happens when regulation is put in place and those corporate powers are challenged? With the arrival of progressive and populist rulers in some countries in the first two decades of the twenty-first century, we witnessed a transition toward the revival and strength of public and state media, and a stronger interference on the part of the state.

The governments of countries such as Venezuela, Bolivia, Ecuador, Argentina, and Nicaragua actively proposed legislation to strengthen public media with the stated intention of counterbalancing private media. Across the region, advocates for such legislation often claimed that only by challenging the grip of moguls over the media would it possible to provide more varied and local content for the region's diverse ethnic and social groups, and to guarantee better access to a wider and broader range of voices.

Key heads of state such as Cristina Fernández de Kirchner in Argentina, Hugo Chávez and Nicolás Maduro in Venezuela, Evo Morales in Bolivia, Rafael Correa in Ecuador, and Daniel Ortega in Nicaragua openly challenged the corporate powers that media proprietors represent. Such moves have raised not only a great deal of debate and controversy, but also have been accompanied by deep political polarization and even institutional crisis (Waisbord 2013). On the other hand, in an environment where digitization has pulverized markets, changed consumption patterns, and blurred media platforms, private firms actively lobby for advantageous or very limited regulation to minimize the threat to their economic interests.

In fact, it has been common to argue in public forums that left-wing rulers tend to be "troublemakers" for press freedom, as they pester and are hostile toward certain media organizations—and even worse, certain journalists. However, as cases across Mexico, Colombia, and Central America have shown, with center-right governments, the critical journalists and those exposing corruption, wrongdoing, or human right abuses also have been fired, censored, alienated, or punished in some way (Benítez 2014). The situation is such that freedom of speech is in peril from both undue state interference on media content and the private interests of media owners.

The role of government advertising

The clientelism underpinning press-state relations in a private media environment is supported by the placement of political advertising. Capture is also observable through the exchange of favors taking place between outside actors, in spite of any legislation put in place. Populist governments that have enacted legislation in the name of the public good apply these laws at their discretion and use them to favor and protect allies or to punish selected rivals. Measures carried out by such governments include the awarding of new licenses, withdrawal of governmental advertising contracts to critical media, exhaustive fiscal auditing of certain firms but not others, and support for the emergence of new private and public media organizations loyal to the government. In Venezuela, the government has taken over the communication duties of journalists, and the pro-state media now dominates the public agenda (Cañizález 2014). In Argentina, the most progressive features of recent media reforms appeared promising with regard to media pluralism, access, and concentration. But in practice they were mostly used by the Kirchner government as an excuse to confront a single corporation, the powerful Clarín group, and not necessarily to promote media pluralism (Liotti 2014). In Bolivia, communication reforms aimed at promoting the democratization of public spaces through community media need to be approved by government structures, which are often more supportive of loyal outlets than truly independent media (Quintanilla 2014), while in Venezuela, communication policies have involved the government taking over public and community media for propagandist aims (Lugo-Ocando 2008).

Conclusion

In light of these patterns, key questions remain: what are the prospects for quality journalism; the balance and diversity of voices, debate and discussion on public issues; and the healthy exercise of press freedom and its watchdog role? What we see in Latin America is that legal frameworks are insufficient and often helpless in protecting the people's right to information. We believe it is the combined efforts of individuals and professional, ethical journalism that gradually will diminish the influence of media capture.

Despite the captured nature of media structures, journalists from independent digital media outlets are challenging the status quo and making all the difference in an ocean of infotainment, viral news, and the decline of the public's trust in the media. It is now the duty of the readers and audiences to give them the credit and financial stability they deserve.

ENDNOTES

[1] To see how Latin American media consortiums emerged, see (Sinclair 1996; Sinclair 1999; Fox and Waisbord 2002).

[2] For work on Mexican media, authoritarian rule and political democratization, see (Fromson 1996; Hallin 2000; Lawson 2002).

[3] For more information about capture in different countries, see (Guerrero and Márquez-Ramírez 2014).

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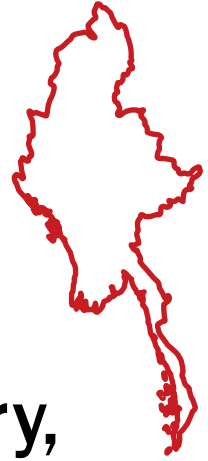
The state, the military, and the market: Capture in the new Burmese media landscape

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This chapter uses in-field interviews and observation, media articles, and freedom of expression reports and analysis to examine media capture in the Burmese media landscape, as well as efforts to counter it. Although there has been notable media reform since the days of the military junta, it argues that the current extent of capture by the state, military, and their business cronies and partners is undermining efforts to build independent media that are resilient and sustainable, and to provide independent journalism and investigations. This, in turn, is threatening efforts to nurture a free expression and free media environment that promotes government transparency and accountability, open debate, and informed dialogue

Photo credit: Jane McElhone

as the foundation of Burma's democratic transition. (This chapter will refer to the country as "Burma" except where the proper names of organizations require the use of "Myanmar.")

Introduction

Soon after Burma's Nobel Peace Prize-winning icon Aung San Suu Kyi[1] led her party, the National League for Democracy, to power in 2016, her new government released nearly 300 political prisoners (Wa Lone 2016), including four journalists and the top executive of a now-defunct weekly, *Unity Journal*. Two years earlier they had been sentenced to 10 years with hard labor, later reduced to seven, for reporting on what they claimed was a secret chemical weapons factory run by Burma's military, the Tatmadaw (Ye Mon 2014). The amnesty was acknowledged in *The Irrawaddy's* 2016 World Press Freedom Day tribute: "This condition—prisons without journalists—is a low but important bar for any country assessing its press freedom. Subjected to decades of censorship and persecution, a new era has dawned for Burmese journalists, but work toward consolidating a truly free and independent press remains" (*The Irrawaddy* 2016).

Unfortunately, such occasional signals of respect for a democratic approach to media have not proven to be consistent. Journalists and bloggers continue to face threats, intimidation and arrest when publishing critical views of the government and the military, according to watchdog groups such as PEN Myanmar, the Southeast Asian Press Alliance, Article 19, Human Rights Watch, and the Committee to Project Journalists. The dozens of criminal defamation cases that have been filed under Section 66(d) of Burma's telecommunications law since the NLD assumed power in 2016, including by the military and the NLD, provide a

vivid example.[2] And despite promises in its election manifesto to reform the media sector and introduce an open media market (2015 Election Manifesto), the NLD has been unwilling to surrender the tools it uses to influence public opinion and news content. By retaining the Ministry of Information, as well as a formidable state-owned media, it has continued to limit the space allowed to independent media.[3]

While there remain many formidable challenges to press freedom in Burma's political transition, this chapter focuses on one threat that remains relatively neglected—that Burma's fledgling private media system may end up *captured*. With the exception of a group of struggling independent media companies—including private national outlets, small local media in the ethnic states and regions, formerly exiled operations, and digital start-ups—the state, the military, and the regime's business cronies and partners still dominate. And despite the very modest opening up of the broadcast sector through the allocation of digital content channels to five companies in April 2017, capture of that sector is the most extreme (*The Irrawaddy* 2017). As a result, although there are more media outlets and more independent journalism, the current pattern of media ownership still bears strong resemblance to that of the pre-transition period.[4] This chapter uses in-field interviews and observation, media articles, and freedom of expression reports and analysis to examine media capture in the new Burmese media landscape. It argues that the current extent of capture by the state, the military, and their business cronies and partners is undermining efforts to build independent media operations that are resilient and sustainable, and to deliver independent journalism and investigations. This, in turn, is threatening efforts to nurture a free expression and free media environment that promotes government transparency and accountability, open debate, and informed dialogue as the foundation of Burma's democratic transition.

While acknowledging the many determined efforts to build a more open and free media culture in the country, the chapter will show that continued efforts are needed to prevent Burma from becoming yet another lost opportunity. It is a story of a major transition that is laying the groundwork not for democratic media reform, but for far-reaching media capture that undoubtedly will affect the country's future.

Media capture and the state

In early 2012, Burma's quasi-civilian administration began taking concrete steps to increase media freedoms and freedom of expression, including assembly and association. Minister of Information, presidential spokesman, and former soldier Ye Htut—nicknamed the Facebook Minister—drove the reforms.[5] The government released thousands of political prisoners, including journalists and writers, and undertook numerous, albeit flawed, media sector reforms, including new laws for print media, broadcasting, and publishing. It lessened content restrictions, including the abolition of pre-publication censorship for print media, opened the digital

space, and licensed, for the first time in five decades, private daily newspapers. Although the military junta had long published state-controlled dailies, independent editors and journalists were previously restricted to heavily censored weeklies and monthlies. The first private dailies in 2013 were thus considered a major turning point (Spring 2013). Formerly exiled media established operations inside the country, as did ethnic media groups that historically worked in the borderlands. A semi-autonomous interim press council was established (Ye Mon 2015). These substantial media reforms were unexpected and unprecedented.

Media outlet concentration in Burma

Source: Based on author's own research

For two years—2012 and 2013—a heady period of growth and experimentation swept the media sector. As Yangon Journalism School founding director and chief trainer Ye Naing Moe recalls, print media embraced new freedoms and independence, and, although practitioners struggled against entrenched self-censorship, journalism became more hard-hitting. At the same time, the professional divide between the print and broadcast sectors deepened. The crony broadcasters continued to protect the establishment, including the niches and interests they had carved out in the pre-transition period. The newly independent print sector struggled to do watchdog journalism and to build businesses.[6]

Yet, after a somewhat promising start, in 2014 nascent media freedoms came under threat, with journalists arrested and media organizations harassed (PEN America 2015). The quasi-civilian administration continued to use the Ministry of Information and state media, as well as its alliances with crony media and the military, to maintain its influence and control. An opaque legal environment, inadequate legal reforms, and a captured judiciary enabled the rollback on freedoms.[7] In October of that year, five members of *Eleven Media* were charged with criminal defamation after they published an article alleging that the Ministry of Information had paid more than market value for printing presses. In June 2015, 17 of *Eleven's* staff members were charged with criminal contempt of court after publishing testimony from its own defamation trial. Fourteen of its staff were convicted and fined.[8] Given *Eleven Media's* reputation for attacking the quasi-civilian administration and supporting Aung San Suu Kyi, these court cases were widely viewed as politically motivated. Esteemed writer and PEN Myanmar founder and former president Ma Thida notes that in the wake of the court cases, *Eleven Media's* coverage "quieted" down.[9]

In 2015 Burma was No. 9 on the Committee to Protect Journalists' list of the world's 10 most censored countries, below China and above Cuba. Among the reasons cited: media enterprises had special registration; laws continued to ban news considered insulting to religion, disturbing to the rule of law, or harmful to ethnic unity; and national security-related laws were used to threaten and imprison journalists who reported on sensitive military matters (Committee to Protect Journalists 2015). Later that year, Aung San Suu Kyi's party won a landslide victory in the November parliamentary elections. Its elections manifesto promised media freedom (2105 Election Manifesto 2015).

The Ministry of Information and media control

To inaugurate his first day as NLD Information Minister, Pe Myint is said to have worked late into the night editing the state daily, *The Global New Light of Myanmar*. The next day the front page featured, for the first time, a picture of Aung San Suu Kyi.

Information Minister Pe Myint is a writer and former member of the Myanmar Interim Press Council (Lun Min Mang et al. 2016). Although media practitioners

were disappointed that the NLD retained the Ministry of Information, they initially applauded its choice of new minister, convinced that he would support their fight for increased independence and freedom. One year later, however, they say the NLD's media strategy remains unclear, with the exception of favoring government-controlled media.[10] They say the new minister is a writer—not a journalist—and does not seem willing or able to upset the status quo or to fight the entrenched militarization of the ministry. Given that the military has an influential media empire, they also believe that the NLD will never let go of its own government media.[11] While acknowledging the myriad challenges facing the country, including fragile peace talks, media practitioners are frustrated that the NLD is not making independent media and free expression a priority.[12] Instead, the government continues to play a central role in both owning and running major state-owned news outlets, and defining their content.
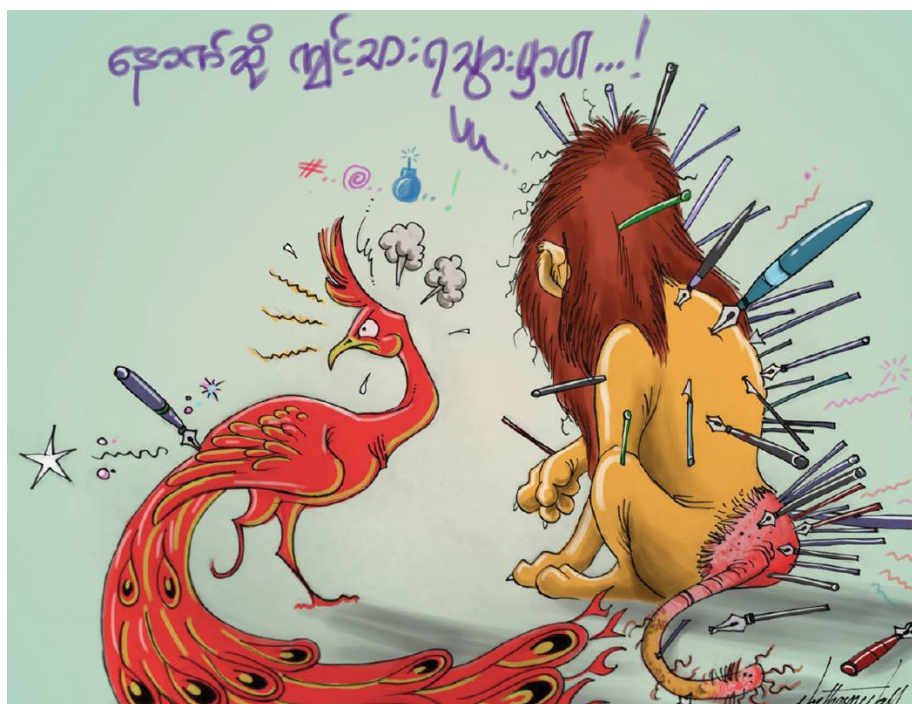
"You will get used to it." A cartoon created by Northern Wolf on June 30, 2016 following the NLD's landslide victory in the parliamentary elections. The lion is the symbol of the USDP party that was in power from 2010-2015. The peacock is the symbol of the NLD party.

Media that is state-controlled[13]

The three state-run dailies—with privileged access to public funds, government advertising, printing presses, and distribution networks—continue to bring in a strong stream of revenues. Meanwhile, observers say the six surviving private national print dailies are struggling; the plight of the seventh, launched in 2017, remains to be seen.[14] After Aung San Suu Kyi publically stated that government-owned media were not good for democracy, many hoped that she would close or privatize state-controlled print operations.[15] Yet subsequent initiatives to further increase their reach,[16] coupled with their more competitive pricing that private media cannot afford to match, as well as efforts to improve their content and digital presence,[17] have made them more competitive than before, leading private media owners to say it is now even harder to compete.[18]

Because of their advantages—high print runs, nationwide reach, and

An April 2, 2016 issue of the Global New Light of Myanmar features a picture of Aung San Suu Kyi laughing with generals, a sign of new times in Burma.

the political advantage of supporting the government—state media were already popular with advertisers; now that the NLD is in power, a new stream of advertisers are said to be seeking space in the dailies they control.[19] Media analysts say print operations currently have an estimated 10 to 20 percent of the total media advertising market, and of that, the government and military are believed to control some 60 to 75 percent. That leaves a very small share for the private print media sector.[20] Even so, the content of state-owned media remains weak; PEN Myanmar founder Ma Thida describes it as "unreadable propaganda that has now become readable propaganda."[21] For Burma's independent media sector, it is clear that the government should focus on expanding press freedom and free expression, protecting journalists, and improving the overall environment for independent media ownership, including getting out of the print media business. Yet there is no consensus on how to achieve these goals. Closing state media would throw thousands of people out of work. If put up for sale, it is likely that only business cronies—who already wield enormous power in the media sector—could afford to buy them. Private media actors also have suggested a third option: transforming state print media

State-controlled media in Burma
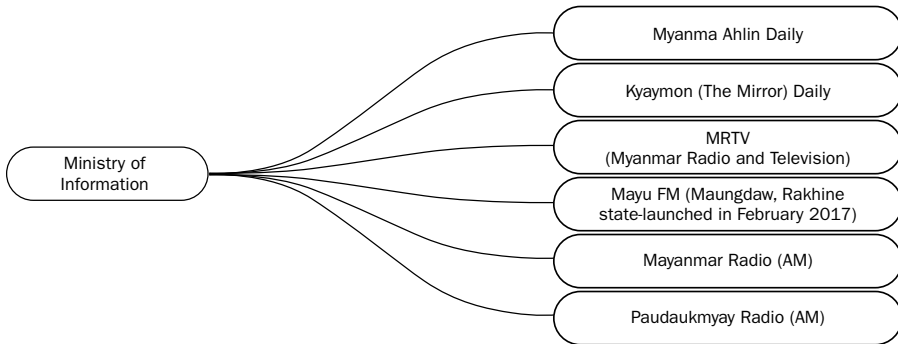
into public companies with public shareholders.[22] In the meantime, the Ministry of Information is continuing to expand state media, most recently by announcing the launch of a digital version of its English-language print daily. Information Minister Pe Myint talked about this new initiative in the *Myanmar Times*: "We don't want people to assume that this is a business or personal competition with the newspapers. We are just trying our best to do our jobs" (Pyae Thet Phyo 2017).

The MOI is also continuing to encourage private media to produce content for the state media that it controls. This approach, where independent media act as content producers for government-controlled media and thus depend on it for income, is a risky undertaking. For some media, however, including Mizzima Media Co. Ltd., producing programming for MRTV has proven to be a lucrative venture.[23]

The future of the state broadcaster Myanmar Radio and Television (MRTV) also remains uncertain (Australian Broadcasting Corporation 2017). While the plan to transform MRTV into a public service broadcaster enjoys wide support,[24] the wrenching reform process has made little concrete progress. Despite numerous attempts around the world in the past quarter-century, from South Africa to Central Europe to Afghanistan, it is difficult to point to a successful and sustainable transformation of a state into a genuine public service broadcaster.[25]

The dozens of ethnic media in Burma are also struggling. Operating in the country's resource-rich ethnic states, and instrumental in the coverage of peace and conflict, ethnic media present a unique challenge and opportunity for the government. In the pre-election period, the Ministry of Information made concerted efforts to capture struggling ethnic media with offers of direct financial support and partnerships with state media. At the 4th annual Ethnic Media Conference in Mrauk Oo, Rakhine State in February 2016, the then-MOI permanent secretary, and former head of the now defunct censorship board, Tint Swe, declared that the survival of ethnic media was linked to that of state media.[26] Yet ethnic media leaders were quick to counter this unsubstantiated claim. Instead of offering direct financial support that could jeopardize their independence, they called

on authorities to create a more level playing field and an enabling environment for free expression in the ethnic states.[27] Nonetheless, to diversify their revenue sources and to become more resilient, some ethnic media, along with their national media peers, are acting as content producers for state media, including the national broadcaster, as well as for crony broadcasters and the country's private satellite broadcaster DVB Multimedia Co. Ltd.[28]

How media business problems lead to capture

As in other parts of the world, the business struggles of independent media in Burma are making it easier for wealthy cronies of the government and military to maintain and strengthen control over the media sector. After 17 months in operation, the closure of the only private daily in Mandalay—*Mandalay Alinn Daily News*—in mid-2016 tells part of this story. Owners say it had long-term financial difficulties, exacerbated by increased competition from state media for audience and advertising (Maung Zaw 2016). The two remaining dailies—*Mandalay Daily Newspaper* and *Yadanarpon Daily Newspaper*—are owned, respectively, by the Mandalay City Development Committee (government) and the Tatmadaw (military). Of the 13 daily print newspapers launched since the beginning of the transition, the six survivors are *Daily Eleven, 7 Day Daily, The Voice Daily, The Standard Time Daily, Democracy Today,* and *the Myanmar Times* (Cunningham 2014). A seventh (Burmese-language) daily was launched in early 2017 by Myanmar Consolidated Media Ltd., owner of the English-language daily *The Myanmar Times*.

Private media in Burma share a common struggle with their peers around the world: identifying viable revenue models to support independent journalism. Pointing to increased competition for advertising revenues, competition from state media,[29] as well as increased digital competition for audiences due to a rapid growth of Internet penetration, private media say they are being killed in the marketplace, and that one can survive only if supported by a rich patron. The state, the military, and its cronies have powerful joint ventures that serve their common interests, and also benefit from media cross-ownership and years of having enjoyed preferential treatment and prior existence in the market. Practitioners underscore the need to break up monopolies and, since broadcasting is by far the most lucrative part of the media market, open up the broadcast sector to independent players.[30]

Key Burmese publications that have closed (2014-2016)
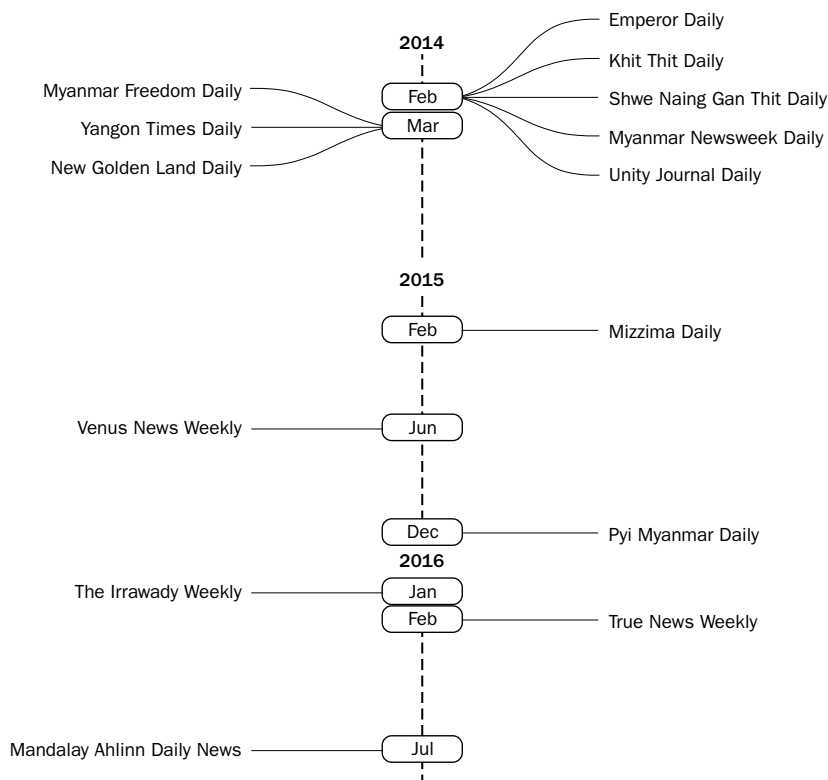
A glance at government and private media joint ventures in Burma

Media business cronies and tycoons[31] are among the big winners in Burma's political transition. The country's own class of oligarchs, some have consolidated media power bases long entrenched under the military dictatorship, while others have used their wealth since the beginning of the transition to buy existing media operations and/or create new ones (Rutherfurd 2015). One of the most prominent broadcasting companies, Shwe Than Lwin Co., for example, built a large construction and media conglomerate during the time of the military regime that owns the Sky Net satellite television channel and other media interests (Ye Mon 2016).

By contrast, DVB Multimedia Group, the only Burmese-owned independent broadcaster currently operating inside the country, continues to broadcast by satellite from Thailand, much as it did before the political transition began. It cannot

obtain a license to broadcast inside the country until the broadcasting law becomes operational.[32]

DVB was one of five companies awarded a digital channel by the government in April 2017. With a view to lessening media capture, at first glance these new content provider contracts seem a solid step in the right direction. In reality, though, they are a multi-edged sword.[33] The fact they are digital means potential audiences will be comparatively small (estimates range from 2 to 5 million).[34] This stands in stark contrast to the government, military, and crony broadcasters whose monopoly over terrestrial (analog) broadcasting[35] gives them privileged access to an estimated 20-40 million viewers.[36] Given their small potential audience share, the new digital broadcasters will face a significant challenge attracting a piece of the crowded advertising market. Thiha Saw, veteran journalist and Myanmar Journalism Institute executive-director, says the government is "trying to appease noisy people by offering a small piece of the cake. The takers know it is not the real cake, but they cannot afford to stay away from the table."[37]Another issue is that in two years the five companies awarded the contracts will have to reapply for permits, with no guarantee of success. As they will likely not begin to make returns on their investments during the first two years, this means that they will be making a substantial investment, along with taking a big risk. It is feared that they may suffer the same fate as Burma's many short-lived print dailies.

It is interesting that only two of the five contracts were awarded to independent news media (and that both were formerly exiled); the other three have gone to businesses with, in one case, banking and airline interests, and in another, historic links to the military.[38] It is also significant that all of the companies are obliged to use state-owned infrastructure and networks; this means they will have control over their content, but the government will retain "the switch" to shut them down.

Analysts estimate that between 70 and 90 percent of the available advertising market—said to be upward of US $200 million per year—goes to broadcasting. Forever Group is believed to control 75 percent; the other 25 percent is shared by the government and military, and to a lesser extent, by the aforementioned Sky Net, owned by Shwe Than Lwin Co.[39]

And television is not the only challenge. With the exception of tiny online initiatives, there are no independent media operating in the radio sector.[40]

Crony capitalism

Burma's media reforms have had a rough ride, says media business consultant and Burma expert Michelle Foster. The country has opened from an artificial economic environment under the former military junta to a nascent capitalism where many important resources are still held under opaque ownership. For independent news

media, it is a particularly challenging environment. The media market expanded initially without concurrent growth in advertising revenues, reporting capacity, distribution channels, or legal protections and infrastructure. Since 2012, however, advertising revenues have grown significantly. Yet much of that growth, she says, has been captured by state-owned media, which is uniquely advantaged: the state owns the broadcast infrastructure and uses state resources to distribute its newspapers. Independent news media struggle in this environment to compete.[41]

Media Development Investment Fund Asia Director Tessa Piper concurs: "The horrible irony is that, after being denied existence for half a century, now that independent media is finally free in theory to flourish, the existence of very well-funded and long-established state- and crony-owned media means that, in practice, they face Herculean obstacles to survival."[42]

The dozens of private and independent media in Burma's seven ethnic states also are struggling to build viable businesses.[43] Most survive on a mix of sales, bits of advertising (although this latter sector is under-developed outside of the main centers), investments by local businesspeople, their own money, and community contributions.[44] Some also receive funding from donors, the diaspora, and religious organizations. Others are housed by non-governmental organizations and educational institutes.[45] With a few exceptions, there has been little media development in the country's seven non-ethnic regions (Nyan Hlaing Lynn 2016).

Given the past political environment, ethnic media have had little to no opportunity to develop business skills and operations. This means they are effectively starting from scratch and facing a steep learning curve.[46] Past reliance on donor support—which was critical to their survival—is, in part, responsible for the challenge of changing their mindsets to adapt to a commercial environment. Offers to become content producers for national media, and state and crony broadcasters, are, therefore, financially attractive. It may prove to be a struggle, however, for small operations to assume this new role, as well as guarantee their independence and the survival of their own independent operations.

The explosive growth of digital media has done little to ameliorate this dire business outlook. Media outlets are struggling with a common difficulty: the search for digital platforms that can monetize online content.[47] Facebook is undisputedly the primary place where Burmese citizens get their news, disseminate it, and discuss it.[48] So if media operations are going digital, it is not because of the money, but rather because that is where the audience is.

Burma's digital space does offer something of a refuge from media capture, at least for the time being. Given the prohibitive cost of traditional media platforms, it remains one of the few places independent journalists can afford to practice their craft. This is particularly true in the ethnic states, where cross-border media continue to publish stories deemed "sensitive" online from their offices in the border lands.[49] Yet Burmese journalist, and founder of the award-winning digital news

site Myanmar Now, Thin Lei Win adds: "There really is nothing to stop digital media from being captured by the government and the cronies as well. And I think there is a concern that it's not a question of 'if' but 'when' that happens."[50]

Media control and the military

Burma's military—officially called the Tatmadaw—continues to wield significant power in the parliament, key ministries, the economy, the civil service, and the media sector.[51] Although it pledged to develop better relations with the media, practitioners say the military continues to perpetuate a climate of fear that restricts free expression and threatens peace. After 50 years as a key power-holder this is hardly surprising (Wa Lone 2016). According to Burmese press council member and media trainer, Myint Kyaw, media capture by the military remains one of the media community's biggest setbacks.[52]

Military-controlled media in Burma

Tatmadaw — Myawaddy Media

- Myawaddy Daily Newspaper
- Thazin FM (Radio)
- Yadanarpon Daily Newspaper (Mandalay)
- Myawaddy Television
- Ngwe Tar Yee (Literary Magazine)
- Thu Ta Ah Lin (Knowledge Journal)
- Arrga Sar Myin Kwin (Sport News)
- Tayza Aurora (2 Children's Books)
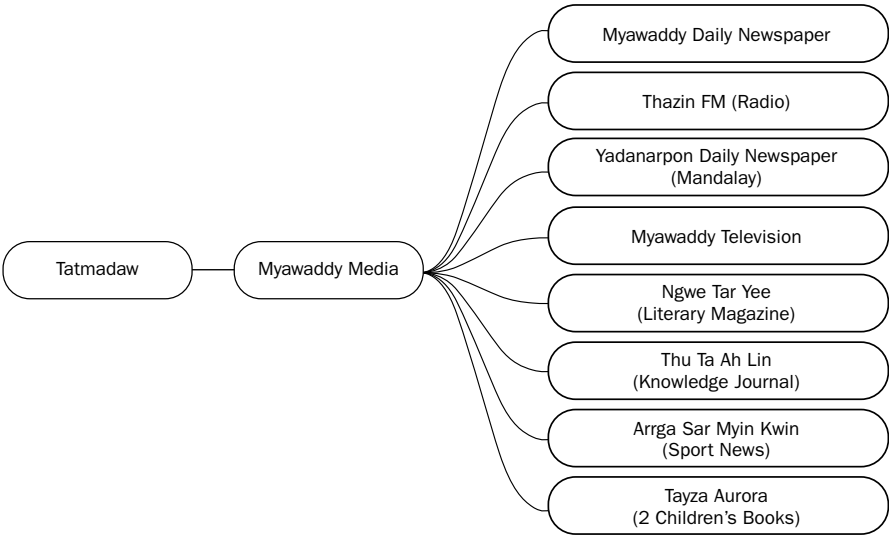
Three diverse incidents in mid-2016 illustrate the military capture of media and free expression. In June, the Ta'ang Women's Organization was forced to cancel a press conference about human rights abuses committed by the military in northern Shan State (Ta'ang Women's Organization 2016). In the same month, the military blocked the screening of "Twilight over Burma" at Burma's renowned Human Rights, Human Dignity International Film Festival, saying it would damage the military's image and national reconciliation. The film tells the story of an Austrian woman who fell in love with an ethnic Shan prince, and the impact of the 1962 military coup on their lives (Coconuts Yangon 2016). The festival is obliged to submit films to the censor board before they can be screened; this is not the first time

a film has been blocked.[53] The festival's out-going Executive-Director Mon Mon Myat says the decision demonstrates the military's continued power. She does, however, point to one positive change: the state broadcaster Myanmar Radio and Television (MRTV) is now willing to broadcast many of the human rights-themed films screened at the festival.[54]

In the third and arguably most controversial case, in July 2016 a military officer filed a lawsuit against one of the country's most popular and respected daily news-papers, *7Day Daily*, claiming that one of its stories portrayed the military as dis-loyal and unwilling to cooperate with the government. The officer used section 131 of Burma's penal code that punishes anyone "abetting mutiny or impacting on an officer's allegiance or duty" with a prison sentence of up to 10 years. It was the first time the military attempted to prosecute a media outlet under the new gov-ernment. Although the officer filed the suit without informing the Burmese press council (officially called the News Media Council), the latter intervened behind the scenes and the charges were subsequently dropped (Wa Lone and Toe Wai Aung 2016).

Though the case was believed to have been politically motivated, and *7Day* publi-cally stated it had not violated any laws, it nonetheless published an apology that was fiercely criticized by its journalistic peers for undermining media ethics, the independence of editors and journalists, and citizens' right to know. The decision also highlights the media's lack of trust in the judiciary and the fear that a lack of cooperation could impact negatively on a media outlet's survival, not to mention other business interests (PEN Myanmar 2016).

In its published apology, *7Day* promised to be careful when reporting on future military matters.

The press council notes that it seldom issues statements related to the military; in light of the extreme sensitivity of this case, it says it carefully chose its words. Both the press council and the Minister of Information recommended that prior-ity should be placed on mediation and negotiation in the future (*The Irrawaddy* 2016). When the military threatened to sue *The Voice Daily* for criminal defama-tion in 2017, therefore, it was viewed as a positive step when the military turned first to the press council for mediation instead of to the courts. Yet the talks broke down and on June 1, 2017, *The Voice Daily* Editor-in-chief Kyaw Min Swe and a satire columnist who writes under the pen name British Ko Ko Maung were arrested. They were the 67th and 68th criminal defamation cases filed under section 66(d) of the telecommunications law.[55]

Laws, safety, and self-censorship

The death of freelance journalist and former democracy activist Aung Kyaw Naing (Par Gyi) in one of the country's seven ethnic states, Mon State, while in military custody is the first of two documented killings of journalists since the beginning of

Burma's political transition. A secret military court acquitted two soldiers accused of his murder in May 2015, underlining the problem of longstanding impunity. *Daily Eleven* crime reporter Soe Moe Tun was the second journalist killed, this time in Monywa, Sagaing Region in Upper Burma, in December 2016 (Committee to Protect Journalists 2016). Still unresolved, these cases have had a chilling effect on the media community (Committee to Protect Journalists 2014).

During the time of the military junta Burma's legal framework for journalism, free expression, and media independence was considered one of the most restrictive in the world. Unfortunately, since the beginning of the political transition legal and regulatory reforms have not kept pace with political ones (PEN America 2015). Although Article 23 of the Association of Southeast Asian Nations (ASEAN) protects the right to free expression in member states, Burma's own constitution does not explicitly protect press freedom or access to information.[56] Some relevant laws have been amended (the Peaceful Assembly and Peaceful Procession Act), enacted (the Citizens Personal Privacy and Personal Security Law), and abolished (the Emergency Act and the State Protection Law), although not always according to international standards. And laws from the military and colonial eras are still being used to charge and prosecute journalists and editors.[57] Criminal defamation provisions in both the Penal Code and the News Media Law, for example, continue to be used against journalists. In Kachin and Shan States and Tanintharyi Region, to name a few, defamation cases have been wielded by private companies, ethnic armed groups, and regional governments.[58] According to Human Rights Watch, the "legal architecture of repression" that has put journalists behind bars remains largely in place (Human Rights Watch 2016). Journalists say this continues to have a widespread chilling effect and fosters self-censorship.

An increased use of the Penal Code for insulting or defaming religion or beliefs has been linked to religious extremism (Lewis 2016). After stating that the racist speech of monks ran counter to Buddhist teachings, the writer Htin Lin Oo spent more than a year in prison with hard labor, before being released in the NLD political prisoner amnesty in April 2016. The new NLD civilian government has gone some way toward calming this extremist behavior, particularly with regard to the most notorious Buddhist group, Ma Ba Tha (Aung Kyaw Min 2016). This was illustrated in April 2017 when, in an unprecedented move, the Ministry of Religious Affairs publically supported the award-winning investigative journalist Swe Win after Ma Ba Tha leader Wirathu sued him for defamation. The case has nonetheless continued (ARKAR/DVB 2017; Agence France-Presse 2017).

Yet Myanmar Journalism Institute head Thiha Saw cautions that legal reform will have little to no impact until the judiciary becomes independent.[59] "Until that happens, media cannot escape capture."

The future

Burma's journalists and editors have demonstrated a remarkable resilience, both under the military junta and during the current political transition. The opposition party they supported for decades—the NLD—is now in power, led by the iconic leader Aung San Suu Kyi. As election coverage was fiercely partisan, coverage of the new government is testing journalistic independence, skills, professionalism, and entrenched self-censorship. The military—far from gone—retains 25 percent of (unelected) parliamentary seats, as well as power over key ministries, and continues to perpetuate a climate of fear that restricts free expression and media independence.

It is clear that media are not one of the NLD's priorities.[60] Given the state of the country, including growing conflict, fragile ceasefires, and complex peace talks, this may, in some ways, be understandable. Yet until there is real reform, the current and expanding state of capture will continue to undermine media's efforts to build resilient and sustainable operations, and to provide independent journalism and investigations. This, in turn, will threaten efforts to nurture a free expression and free media environment that promotes and protects informed dialogue, open debate, and government transparency and accountability as a crucial foundation for Burma's democratic transition.

Media practitioners and advocates are calling on the NLD government to create a more level playing field for private media by reducing the number of state media (through privatization or closure), and by opening up the broadcast sector. They also want legal reform that protects, promotes and decriminalizes free expression and media freedom—including the abolishment of Section 66(d) of the telecommunications law—guarantees right to information, and ensures the independence of the judiciary, and for remaining pre- and post-publication censorship to be abolished. Although many countries in Southeast Asia have Ministries of Information, they say there is no place for one in a democracy. They want the current Minister of Information to be the last one.

Yet according to Thiha Saw, it is media ownership that is "the most concerning thing."[61] Media need to push the government to enforce the new broadcasting law before 2020 (when the next election will be held), and to establish a professional and ethical licensing system. This would go a long way toward creating a more level playing field. Coupled with the closure of state print media, it is one of the best chances, at least for now, of chipping away at state, military and crony dominance in the media sector, and of mitigating the extent, and growth, of media capture.

ACKNOWLEDGEMENTS:

ENDNOTES

[1] As Burma's constitution blocks politicians with foreign children from becoming president, Aung San Suu Kyi is State Counsellor, Foreign Minister, and Minister of the President's Office in the new NLD government led by proxy president Htin Kyaw (*https://www.theguardian .com/world/2016/mar/10/aung-san-suu-kyi-nominates-htin-kyaw-Burma-president; https://www.theguardian.com/world/2016/mar/10/aung-san-suu-kyi-nominates-htin- kyaw-myanmar-president).*

[2] Section 66 (d) of the Burma telecommunications law prohibits the use of a telecommunications network to "extort, threaten, obstruct, defame, disturb, inappropriately influence or intimidate." It was enacted in 2013 by Burma's former quasi-civilian administration.

[3] Series of Interviews with the Yangon Journalism School and Mandalay Journalism School founding director and lead trainer Ye Naing Moe (2016-2017); *http://frontierBurma.net/ en/the-nlds-poor-record-media-engagement.*

[4] Interview with veteran media trainer and press council member, Myint Kyaw, Yangon, June 2016.

[5] Ye Htut was Minister of Information from 2014-2016, and presidential spokesman from 2013-2016; Thu Thu Aung, and Ye Mon. 2015. "Minister for Facebook gets ready to sign off." *Myanmar Times*, December 11. *http://www.mmtimes.com/index.php/national- news/yangon/18094-minister-for-facebook-gets-ready-to-sign-off.html.*

[6] Interview with Yangon Journalism School Director Ye Naing Moe, Yangon, June 6, 2016.

[7] Interview with veteran journalist and press council member Thiha Saw, Yangon, June 2016.

[8] "Human Rights Watch recommends criminal defamation laws should be abolished, as criminal penalties are always disproportionate punishments for reputational harm and infringe on peaceful expression. Criminal defamation laws are open to easy abuse, resulting in very harsh consequences, including imprisonment. As repeal of criminal defamation laws in an increasing number of countries shows, such laws are not necessary for the purpose of protecting reputations, particularly of government officials." (*https://www.hrw.org/report/2016/06/29/they-can-arrest-you-any-time/criminalization- peaceful-expression-burma).*

[9] Interview with award-winning writer and PEN Myanmar founder and former President Ma Thida, Yangon, June 2016.

[10] Minister of Information Pe Myint and other MOI representatives have publically stated that the NLD needs state media in order to communicate with citizens (2nd Media Policy Dialogue, May 2016, Yangon).

[11] Interview with Yangon Journalism School founding director and trainer Ye Naing Moe, Yangon, June 2016.

[12] PEN Myanmar's 2017 Freedom of Expression Scorecard, published on May 2, 2017, in honor of World Press Freedom Day (*http://www.pen-international.org/centres/myanmar-centre/*; *https://www.facebook.com/pg/penmyanmar/about/).*

[13] An infographic of joint ventures can be found in the "How media business problems lead to capture" section of this report.

[14] Burma's six dailies (as of December 2016): *7Day*; *Daily Eleven*; *The Voice Daily*; *The Myanmar Times* (English-language); *The Standard Time Daily*; and *Democracy Today*. The Myanmar-language *Myanmar Times* daily was launched in early 2017.

[15] Radio Free Asia interview with Aung San Suu Kyi: Khin Maung Soe. 2015. "Interview: Government-owned Media Are Not Good For Democracy." Radio Free Asia, December 31. *http://www.rfa.org/english/news/myanmar/interview-government-owned-media-are-not-good-for-democracy-12312015135200.html.*

[16] In 2016 circulation increased from 200,000 to 300,000 copies.

[17] The MOI announced it would be launching a new English-language digital news site in May 2017 (*http://www.mmtimes.com/index.php/national-news/25784-state-owned-digital-paper-to-be-published.html).*

[18] Interview with Ahr Mahn, 7Day Daily Editor-in-chief, November 2016.

[19] Series of interviews with Yangon Journalism School and Myanmar Journalism School founding director and lead trainer Ye Naing Moe, Yangon, 2016 and 2017.

[20] Interviews with media veterans Myint Kyaw and Thiha Saw, Yangon, April 2017.

[21] Interview with PEN Myanmar founder and former president, Ma Thida, Yangon, May 2016.

[22] This option was proposed by private media practitioners at the 2nd Policy Dialogue on Media Development in Burma (Chatrium Hotel, Yangon, May 15, 2016), and reiterated by two veteran media actors, Thiha Saw and Kyaw Min Swe (from *The Voice*), in the lead-up to the 2017 World Press Freedom Day.

[23] Interview with the Myanmar Journalism Institute Head of Training Sein Win and Executive-Director Thiha Saw; interview with Khin Maung Win and Chris Hajecki from DVB Multimedia Group; interview with Mizzima News Group founding editor-in-chief Soe Myint (LoIkaw, Kayah State, 2016).

[24] While Burmese journalists want government-controlled print media to be shut down, they are more supportive of the idea of transforming MRTV into a public service broadcaster. A variety of international groups have worked with the state broadcaster, including BBC Media Action, Deutsche Welle, International Media Support/Denmark, etc.

[25] Interview with writer and media development expert Mark Thompson, London, April 2016; he notes that some consider SABC and Czech TV to be partial successes.

[26] From 4th Ethnic Media Conference, Mrauk Oo, Rakhine State; *http://www.irrawaddy.com/burma/closing-state-run-news-outlets-will-cause-ethnic-media-to-suffer-moi-official.html.*

[27] Interview with BNI board member Nan Paw Gay, Mrauk U, February 14, 2016; *http://www.bnionline.net/images/2016/statements/4th_Ethnic_Media_Conference_Statement_ENG.pdf.* The current Minister of information, Pe Myint, has stated that the government will not be offering direct financial support.

[28] Interview with BNI board member from Rakhine State and press council member Khaing Mrat Kyaw, August 26, 2016.

[29] UNESCO. 2016. "Launch of Report on Media Development in Myanmar." *http://en.unesco.org/news/launch-report-media-development-Burma;* three national government dailies include *Myanma Alinn*, *Kyaymon (The Mirror) Daily*, and *The Global New Light of Myanmar.*

[30] According to DVB Multimedia Group Country Bureau Chief Toe Zaw Latt, advertising expenditures in Burma grew from US $38.6 million in 2009 to US $151.7 million in 2013, and to US $200 million in 2015. *http://www.mizzima.com/news-features/moving-Myanmar%E2%80%99s-media-industry-forward.*

[31] Given their often close association with authoritarian regimes, the term crony has often been used to refer to business elites in Southeast Asian countries. This is the case in Myanmar where a class of business owners were from the military or had close ties with top generals and had access to capital and ownership. The term tycoon is often used to refer to business people associated with Aung San Suu Kyi and her party, the NLD.

[32] While the broadcast law will reportedly be presented to parliament in the near future, it is as of yet unclear when it will become operational and when licences will be made available.

[33] Interviews with Thiha Saw and Myint Kyaw, Yangon, April 28, 2017.

[34] The Ministry of information and MRTV cite 5 million, but private media say the number is closer to 2 million to 3 million.

[35] Burma has eight analoge channels run by MRTV, Myawaddy (military), Forever Group, and Shwe Than Lwin Co.

[36] 20 million is the common number cited in media circles and reports in Burma, yet according to DVB Deputy-Director Khin Maung Win, surveys by the BBC and Media Marketing Research and Development (MMRD) indicate the number is closer to 40 million.

[37] Interview with Thiha Saw, Yangon, April 28, 2017.

[38] Interview with Myint Kyaw, Yangon, April 28, 2017.

[39] Interviews with Thiha Saw and Myint Kyaw, Yangon, April 28, 2017.

[40] All of the FM and AM stations in Burma are owned by the government, military, and crony businesses and partners (Myanmar Information Management Unit–Coverage of Myanmar Local Radio Media–February 2013).

[41] Series of interviews with Michelle Foster in 2016; *www.internews.org/business-media-and-information-environment-new-Burma-fresh-perspectives*; Foster, Michelle. 2013. "The Business of Media in Myanmar, 2013." Internews. *https://internews.org/sites/default/files/resources/Internews_Burma_Business_Report2014.pdf.*

[42] Series of interviews with MDIF Asia Director Tessa Piper in 2016 and 2017.

[43] There is only one private local news media operating in Kayah State and one in Tanintharyi Region, two in Kayin State and three in Kachin State. In Mon, Rakhine and Shan States the numbers are higher, with five to seven media in each state. In Chin State, considered the most remote and poorest state in the country, there are an estimated 20 to 30 private media; the explosion of Chin media is widely attributed to the state's linguistic and ethnic diversity. They include a handful of formerly exiled ethnic media that have opened offices inside and are now publishing in a mixture of Burmese and ethnic languages, as well as a growing number of media launched inside.

[44] Newspapers are often sold for 400-500 MMK a copy, or approximately $0.33-$0.41; the advertising market is not developed in the majority of the regions and ethnic states, and most media get few, if any, ads.

[45] Although donor funding has not been large enough to distort or capture the national media market, it does have that capacity in the regions, including in the ethnic states (research carried out by report author Jane Madlyn McElhone for the Open Society Foundations, November 2015- March 2016).

[46] The Media Development Investment Fund is currently operating a three-year business coaching program with Burmese media, with funding from SIDA. According to the aforementioned OSF 2016 ethnic media mapping (see note 63), business development is one of the most important issues for ethnic media.

[47] Shan Herald Agency for News and Karen Information Center are online radio pioneers in the ethnic states.

[48] Interview with the Media Development Investment Fund's Asia Director Tessa Piper.

[49] Author's research in Burma's ethnic states, including an interview with Gary Rozema from Burma Relief Centre, and with ethnic media from Mon and Kayin States.

[50] Interview with Myanmar Now founder and journalist, Thin Lei Win, Yangon, June 2016.

[51] Burma's constitution guarantees 25 percent of the seats in parliament are reserved for the unelected military. The military controls three ministries, including Home Affairs, Border Affairs, and Defense. It also has its own print and broadcast media. The placement of permanent secretaries in all of the ministries in the lead-up to the 2015 elections was viewed as an effort to militarize them.

[52] Interview with press council member Myint Kyaw, Yangon, April 2016.

[53] Interview with Human Rights, Human Dignity International Film Festival Executive-Director and journalist Mon Mon Myat, Yangon, June 2016.

[54] Interview with Mon Mon Myat, Yangon, August 22, 2016.

[55] Naw Noreen. 2017. "Military files complaint over satirical article published by local daily." DVB, April 28. *http://www.dvb.no/news/military-files-complaint-satirical-article-published-local-daily/75297*; interview with press council member Thiha Saw, Yangon, April 2017; *http://www.rfa.org/english/news/myanmar/editor-detained-06022017154730.html/.*

[56] Several provisions recognizing free expression, including freedom of assembly and association, contain limitations. Article 365: "*Every citizen shall, in accord with the law, have the right to freely develop literature, culture, arts, customs and traditions they cherish. In the process, they shall avoid any act detrimental to national solidarity. Moreover, any particular action which might adversely affect the interests of one or several other national races shall be taken only after coordinating with and obtaining the settlement of those affected.*"; see (PEN America 2015).

[57] In August 2015 the UN Special Rapporteur on Human Rights in Myanmar, Yanghee Lee, voiced concern about the rising number of arrests and intimidation in Burma, stating that "civil society actors, journalists and ordinary citizens exercising their rights to freedom of expression, assembly and association are not threats." See *http://www.un.org/apps/news/story.asp?NewsID=51612* of human rights.

[58] Interview with Myint Kyaw, Yangon, 25 August 2016.

[59] Veteran journalist, press council member and Myanmar Journalism Institute Executive-Director Thiha Saw made this recommendation during the 1st Policy Dialogue on Media Development in Burma, Yangon, February 21, 2016.

[60] PEN Myanmar May 2017 Scorecard Assessing Free Expression in Myanmar (*https://web. facebook.com/penmyanmar/?_rdc=1&_rdr)*; in 2017 the NLD shut down the Ministry of Information's Media Development Thematic Working Group.

[61] Reporters Without Borders (RSF) 2017 World Press Freedom Index. (*https://rsf.org.*) Interview with veteran journalist Thiha Saw, Yangon, April 28, 2017.

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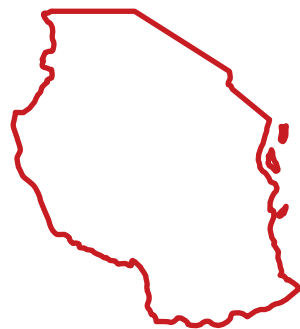
Unfinished business: Tanzania's media capture challenge

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While Tanzania has gradually moved toward political pluralism and market economics, the development of independent media has remained stunted. This chapter argues that Tanzania's media sector suffers from a multi-faceted form of capture that is a product of government regulation, clientelism, economic pressure, and intimidation. The capture of Tanzanian media by the state and political elites takes place against the backdrop of an underfunded and discredited press ecosystem and amid power struggles in an increasingly vocal and politically diverse society.

Introduction

Media capture in transitioning societies and economies takes a variety of forms: it is driven by corporate and government influence, buyouts, and ownership monopolies. But as the case of Tanzania demonstrates, it is also manifest in regulatory frameworks and exacerbated by ad hoc intimidation, economic circumstances, skill deficiencies, and a host of other structural conditions. Media operating in Tanzania face a range of constraints, which include diverse and overlapping forms of media capture.

Due to its history, Tanzania inherited a legacy of media control by the state and elites. As a former British colony, it adopted colonial-era regulations that were then supplemented with a post-colonial socialist belief in media as subservient to a state development agenda. Since 1992, Tanzania has gradually moved toward a pluralist political system and limited capitalism, introducing privatization and market mechanisms to boost industrialization, and allowing private media ownership. But the legacy of Tanzania's history is written across its media sector.

Tanzanian leaders continue to argue that state control over the media was a necessary part of nation-building in the post-colonial period, in spite of the contrary evidence that excessive control hampers the institution-building necessary for growth and democratic progress (Acemoglu and Robinson 2010; Caliskan and Waldman 2016). Indeed, this argument is evoked as a defense against criticism that state-driven narratives dominate the media in Tanzania. Media capture is further enabled by structural conditions that impede journalistic growth and quality, and the development of a vibrant public sphere. Tanzania is only "partly free," according to Freedom House (2016), which cites "broad discretion to restrict media on the basis of national security of public interest" and recent legislation that is vague in wording and restrictive of freedom of expression.

This paper examines how the notion of "media capture" can be used to elucidate how the Tanzanian government can make overtures to political pluralism and privatization while still keeping a grip on the press. In light of Tanzania's political economic barriers and limited business environment, capture involves the government, which seeks to adapt to changing political circumstances. State media capture occurs both in private and public outlets. It is a product of economic dynamics, and a history and political culture that encourage centralized rent-seeking and clientelism. Believing that the news media, particularly newspapers, are influential and can generate debate, entrepreneurs use them to project their messages. Media, therefore, support what one Tanzanian professor of political science calls a "government of elites." Contemporary media capture in Tanzania involves elite figures competing in an environment of increased political pluralism and changing economic circumstances.

To make this case, I will first provide a brief history of the relevant media regulation and its recent manifestations as a mechanism of state capture. I will then

look at the structural conditions facing media houses and journalists. By focusing on media ownership patterns and media development initiatives, I will illustrate how media capture has persisted and developed even as the country is undergoing sometimes profound economic and political changes.

Methodology

In this report, I draw on three months of fieldwork across Tanzania.[1] My research used a mix of qualitative methods. This consisted of 10 formal and 60 semi-structured interviews with senior figures from state and private media, print and broadcast journalists, government officials, politicians, civil society and business leaders, as well as ordinary Tanzanian citizens. These were complemented with participant observation, focus groups, and a review of primary and secondary documents and newspapers. Observation took place in newsrooms and in contested political environments, namely in the region of Mtwara on Tanzania's southern border with Mozambique. I also participated in media development training days organized by the Tanzania Media Foundation (TMF), observing the quality of the instruction provided and the reception to the training of the journalists themselves.[2]

This descriptive and qualitative approach was supplemented by reference to newspaper archives, academic literature on the subject, and official reports by non-governmental organizations (NGO) and state organs on the state of the media and press freedoms. Newspapers accessed include *Nipashe*, *The Guardian Ltd.*, *The Citizen*, *Reuters*, *The East African*, and others.

Media capture and democracy

The state of the media and their role in democracy consolidation have been explored in theories on media and democracy, including with specific focus on Africa. As Hasty (2005) acknowledges, "everyday practices of journalism are shaped by historicized, cultural understandings of political authority and resistance, as well as notions of African sociality and discursive property." As stated by McNair (2009), journalism has been a "defining characteristic of democratic political and media cultures" (Ibid. 237). There is an imperative in media studies on the Global South to develop more endogenous analytical methods, as media studies often fails to acknowledge the agency of local actors in production, consumption, and circulation of media culture (Willems 2014).

Numerous scholars (Herman and Chomsky 1988; Corneo 2003; Besley and Prat 2006) assert that media capture manifests itself in multiple ways. It often occurs in contexts where corporate interests and governments are collusive in undermining the independence of the press, and often through ways that do not require a direct form of repression and control typically associated with authoritarian regimes.

Media capture occurs more often in countries with financial wealth concentration. This in turn increases the occurrence of media bias (Corneo 2003).

Furthermore, mass media is known to manipulate public opinion, and countries with higher inequality tend to have lower media freedoms, as the rich are able to influence information at a cost (Petrova 2008). However, for governments to exercise capture and influence political outcomes, they must have "cozy" relations with the media (Besley and Prat 2006).

Timothy Besley and Andrea Prat provide a highly relevant theoretical framework for understanding how and when government engages in media capture and what effect this has on political outcomes. In their model, outlets derive profits either from commercial relations (audience driven) or collusion with government—through bribes or more indirect forms of influence, such as legislative interventions in industries affecting the media owner (Ibid.). This framework links media capture and government accountability, as it affects "voters' information and hence their voting decisions" (Ibid., 721).

While this model is useful for many countries and examples of media capture, there are other forms of media ownership in democratic societies, such as non-profit outlets, as well as different ways in which political impact is shaped—namely through intimidation and stringent government regulations passed by politicians seeking majority influence. Furthermore, the model assumes distinct payoffs for each individual news outlet. In this model, it is assumed that media pluralism protects from capture, and that a confluence of independent media, or differing modes of ownership, also reduces capture (Ibid.).

In contrast to the Beasley-Prat model, where the government must "pay each [media organization] as if it were a monopoly provider of unbiased information" (Ibid., 721), Tanzania is an example where the regime deploys slightly different tools for information control, depending mainly on regulation and isolated cases of intimidation.

At the same time, the Besley-Prat model applies closely in its characterization of the political outcomes of capture, predicting that "the presence of media capture reduces political turnover," lowers the risk that politicians will be exposed, and enables elites to carry on with rent extraction (Ibid., 721). Indeed, political turnover is an important element of an analytical framework for understanding the broader issues facing Tanzania today, exposing the complexity of states' experiences as they undergo political and economic transitions. In Tanzania today, media capture is in large part "exercised in an attempt to retain the principles of the one-party state in a competitive authoritarian system" (Cheeseman 2016).

The evolution of Tanzanian media regulations

Tanzania's political and business environment is characterized by poor management of a transition to industry-led growth. Despite consistent increases in overall GDP growth rates, the transition has resulted in increased economic inequality and centralized rent-seeking in policy and regulatory agencies (Kelsall 2013). Today, Tanzania is undergoing a change in developmental targets to achieve middle-income status, led most recently by President John Magufuli (Kamndaya 2016). This push involves a broad shift toward industrialization and the promotion of state-owned enterprises. Political economy analyses of Tanzania indicate that this increasing clientelism, or the centralization of rent distribution, has increasingly afforded the government the capacity to manage decisions from a top-down, central position. It has also enabled heightened corruption in industries and areas of strategic importance to Tanzania's growth, such as ports, horticulture, and gold mining (Kelsall 2013, 72). In the absence of capacity to successfully implement industrial policy, the sustainability of equitable and long-term development could prove questionable (Ibid.).

At the same time, the media have fallen under the regulatory influence of a powerful and historically significant central government. Upon independence, the first president of Tanzania, Julius Nyerere, referred to as *Mwalimu*, or "teacher," enacted a vast program of state building based on the socialist concept of Ujamaa (familyhood). Initially, Nyerere adhered to British press ordinances, even though he had been a victim of colonial era sedition laws (Sturmer 1998, 164). This laid the groundwork for the institutionalization of government libel and falsehood prosecutions, in a climate of limited tolerance of criticism (Ibid.). According to Ayub Rioba, the director general of the Tanzania Broadcasting Corporation (TBC), "a nation created on foreign institutions" inevitably has trouble shifting to modern institutions such as a free press. In an interview, he stated that "in democratization processes, there should be censorship," as 50 years is not enough time to consolidate a nation.

Later, in 1966, Nyerere claimed in a speech that "freedom of expression had to be limited in the interests of more important goals since it could be perverted to promote attitudes and actions that would be detrimental to the country's socialism" (Sturmer 1998). This laid the foundations for the nationalization of print media. Over the course of the next decade, legislation was passed to curtail the expression of any analytical or critical opinion that did not echo government policies. According to G.L. Mytton (1976), freedom of the press in Tanzania "is a privilege that could be used against other freedoms, which were the property of the people as a whole."

In 1992, Paul Grosswiler conducted a study of 50 news and radio journalists in Tanzania to examine the changing government-press philosophy. He found that

a "third way" had emerged, "with a mixture of socialist, traditional, revolutionary and Western philosophies that are incompatible with authoritarian or development media philosophies" (Grosswiler 1997, 102). In effect, Tanzania's "socialist media policy" under President Nyerere was designed to achieve "cultural autonomy and minimize foreign cultural influences" (Ibid.).

In 1976, the Newspaper Act was passed, which still functions in its original form today. In concert with other legislation condemning criticism, which is said to be in support of nation building, the president is given the power, among others, to bar any publication that jeopardizes national interest, prohibit the importation of publications detrimental to public interest, and ban newspapers for not being in the interest of peace and good order. Ministers can cancel the registration of a newspaper if deemed unlawful or incompatible with peace and good government (Ibid., 169). More recently, the legislation has been used by President John Magufuli to shut down newspapers for criticism of the government, also described as "inflammatory" reporting (Carlitz and Manda 2016). Post-independence nationalism and ideology inform the contemporary media regulatory environment and conceptions of freedom of expression.

Media regulation in contemporary Tanzania

Characterized as an emerging democracy, in light of its recent transition toward a pluralist political environment and privatized media market, Tanzania needs self-regulation of the media, asserts media studies Professor Rioba (2012), although this pursuit is currently under threat by new legislation. In 2015, the incumbent CCM Party won the presidential election by a thin margin, with results actively contested, though peacefully, especially when compared to the violent aftermath of neighboring Kenya's contested election in December 2007.

In the early 1990s there was, due to the legalization of private media, an explosion of media outlets. This has created a "highly polluted media context," believes an employee of a government mouthpiece. According to an interview conducted at the time with Professor Rioba, Tanzania had limited capacity to build a strong media sector: there were only two schools of journalism with 30 students each; roughly half of the students weren't from Tanzania, and not all went into journalism. The consequences were that about 60 papers chased the same limited market for qualified journalists, owners reduced production costs, and anyone could become a "half-baked" journalist. Media infrastructure has recently improved with the establishment of bodies like the self-regulatory Media Council of Tanzania and the Tanzania Editors Forum, as well as the development of journalism programs—one with a doctorate-level degree—in five universities, which should increase media capacity and improve the enabling conditions for professional journalism.

Recent regulatory measures and legislative attempts, however, have raised concerns. Under former President Jakaya Kikwete in 2015, the Cybercrimes Act and the Statistics Act were passed. Critics have deemed both pieces of legislation

restrictive and prone to abuse. The Cybercrimes Act gives the government capacity to arrest anyone publishing "information deemed false, deceptive, misleading, or inaccurate, and to levy heavy penalties against individuals involved in a host of criminalized cyberactivities" (Freedom House 2016). This effectively limits the scope for digital publication and encourages heightened self-censorship. In 2016, one academic was charged with insulting the president in a WhatsApp message and prosecuted under offenses related to the cybercrime law (Reuters 2016). The lecturer was among nine others, including students and opposition politicians, who were prosecuted under the Cybercrime Act. One source said the new act has allowed too "much time policing speech, and not enough fighting crime."

More recently, a Media Services Act (November 2016) and an Access to Information Bill (2016) were tabled in parliament, but both were withdrawn for further review in 2015 after they were strongly criticized for being overly restrictive (Freedom House 2016). However, late in 2016, the Media Services Bill was re-tabled in a hurried manner and passed. This bill mandates a Journalist Accreditation Board and Independent Media Council. Effectively, the bill abolishes media self-regulation, introducing a government-controlled body that has the right to "ban newspapers and prohibit non-accredited journalists from publishing" (International Press Institute 2016).

The bill vaguely refers to "online platforms," and gives the accreditation board the power to expel any journalist for professional misconduct. Both the media council and accreditation board can enforce government-prescribed professional standards (Ibid.), overriding the much lauded self-regulatory board, Media Council of Tanzania.

Further concerns focus on the definitions of libel and defamation in the Newspaper Act of 1976, with a broadly defined "seditious intention," and large fines and imprisonment for any publication deemed "likely to cause fear and alarm" (Ibid.). The vague definition contained in this bill has traditionally been used against journalists when they offend the central government and its agencies. The founder of the social media blog JamiiForum, Maxence Melo, was arrested on multiple charges, including managing a domain not registered in Tanzania, based on the provisions of this bill, and rigid bail procedures kept him behind bars (John 2016). His arrest and subsequent detention set a strong precedent for the implementation of the new regulations and how this intersects with web-based forums. This was echoed in conversations I had with journalists and editors, who hoped for more ethical and quality journalism, albeit regulated by government appointees.

One telling case was the closure of the weekly investigative newspaper *Mawio* on January 15, 2016. It was shut down under the 1976 Newspaper Act for allegedly "inciting violence" when publishing a story on the Zanzibar elections. In a conversation I had with Simon Mkina, the former editor-in-chief, he iterated that the investigative outlet had 22 employees and high circulation numbers based on its

coverage of the opposition. He said the newspaper was deregistered, and that he was arrested. After spending a night in jail and being forced to visit a police station daily for five months, he eventually was charged with sedition. More recently, the Kiswahili weekly tabloid *Mseto* was suspended for three years over a "seditious" article that claimed President Magufuli received campaign financing from abroad (Namkwahe 2016). This abusive use of regulation instills fear in editors and journalists, while weakening what Cheeseman (2016) sees as ad hoc attempts to preserve unified post-independence democracy. These arbitrary practices also end up weakening institutional checks and balances.

To sacrifice democracy for development is a false trade off, as weak institutions threaten political and economic sustainability (Cheeseman 2016). Cheeseman suggests that while the one-off sacking of officials to stop corruption may appear effective, it exacerbates the problem by ushering in populism, which erodes institutional checks and balances and thus facilitates corruption.

Even while President Magufuli was nominated by Forbes Africa as its annual "Person of the Year" for his "strict approach to governance" and for "boosting the nation's economy" (Alfa Shaban 2016), the scope for press freedoms is narrowing. In this regulatory context, self-censorship and state control of narratives co-exist as forms of state media capture.

Constraints facing news media in Tanzania

Multiple factors are crucial for successful journalism, including decent pay, physical safety of journalists, and access to education and information. However, beyond the remit of regulations, structural conditions and cultural norms inhibit many journalists and editors worldwide from successfully producing critical news. Historical and cultural norms and political stability, societal demands for a robust and independent media, government effectiveness, journalistic professionalism, and other local attributes inform the context in which the media operate (Lohner et al. 2016).

A former reporter for government mouthpiece *Uhuru* stated that local journalists lack access and experience. "The government doesn't look at the journalist as a free man. What he sees is a story." The reporter also alluded to the fact that power sees journalists as instruments.

News media in Tanzania consist largely of reprinted press releases, shallow business reporting, and superficial coverage of important issues such as gold mining, according to Omar Mohammed, a Knight Journalism Fellow from Tanzania. Mohammed says that Tanzania's best and brightest do not go into independent journalism. Students of journalism tend to join either *Uhuru* or *Daily News*, both government mouthpieces, which offer no room for critical investigative reporting, according to an interview with the editor-in-chief of a weekly newspaper.

In field interviews with journalists, a recurring theme was that most students of journalism and successful reporters turn to more secure, lucrative fields. A form of "brain drain" sees investigative reporters leaving the field of independent journalism for the "commercially profitable world of government and corporate communications" (Cooper-Knock 2014). Sources in Tanzania acknowledged that many journalists transitioned to public relations, political risk consulting, or NGO work. Furthermore, newsrooms tend to be dominated by older reporters and editors, according to one reporter from *Daily News.* However, quality journalists still provide incisive analysis on difficult topics in many instances.

Media capture is embedded in structural conditions. Beside the overall poor educational conditions for journalists already mentioned, even seasoned reporters may lack specialist training. Several journalists interviewed for this article mentioned that, after they had received specialist education, their editors took them off their beat to cover more pressing issues. This is primarily the case in extractive industries: following the recent discovery of natural gas in the Mtwara region of Tanzania, for example, reporters received specialized training. The Tanzania Media Foundation, which supports investigative journalism, funded a wave of training for journalists on extractive industries in 2016. Thanks to funding from media development foundations, Albano Midelo, a successful reporter, was able to concentrate on extractive industries and analyze them in depth. As journalists are not well paid, they often lack incentive to report on stories involving high-stakes issues.

Journalists are faced with non-regulatory threats as well, such as overt censorship. The political culture in Tanzania often leads citizens to support the government, while they fail to see other sides of the story, according to Bashiru Ally, a political science professor at the University of Dar es Salaam. Journalists are attacked without reason. Police will harass journalists and people do not interfere. In 2012, a policeman killed photojournalist Daudi Mwangosi while he was covering an opposition party rally. Absalom Kibanda, editor of the Swahili newspaper *The Tanzanian*, was attacked and beaten outside his home because of his work, while another journalist, Erick Kabendera, was reportedly harassed for testifying against his former employer, a media mogul in Tanzania, in a case of libel (Greenslade 2013). These cases are among the few documented instances of violence against journalists, and represent only a fraction of the non-regulatory obstacles faced by Tanzanian reporters.

While conditions are difficult, many journalists remain committed to investigative reporting, and they mitigate threats, to the extent they can, by making sure they reflect all sides in their stories and at times avoiding bylines.

Media ownership

Examining news media ownership is crucial to understanding state media capture. Politicians and business entrepreneurs are often leading owners in the media ecosystem. Government mouthpieces, such as the *Tanzania Broadcasting Company*

(TBC), *Daily News*, and *Uhuru*, are known for their egregious support of government lines. A former TBC director general, Tido Mhando, was commended for his impartiality and for establishing a creative and balanced state broadcaster, and for setting up debates ahead of the 2010 election, although the CCM candidate eventually backed out (Stringer 2014). After his relations with the government soured—allegedly because of TBC's active election coverage and debates as well as concerns about its relations with the British media development organization BBC Media Action—Mhando's contract was not renewed (Ibid.). Another example is *STAR TV*, owned by the CCM chairman and former Minister of Tourism. According to one *Daily News* reporter, STAR TV did not broadcast a single item on the opposition during the 2015 election campaign, which is representative of the capture of private news media by state politicians.

With assets such as *Mwananchi* and *The Citizen,* Mwananchi Communications Ltd. is a large media group, acquired in 2001 by Kenya's Nation Media Group. A profit-driven news service, it recorded a 29 percent growth in operating profit by the end of 2013 (Mutegi 2014). *AzamTV*, a new, innovative television station launched in Tanzania and owned by business tycoon Said Bakhresa, is providing decent election and international football coverage, and it has poached senior reporters from BBC's Swahili service. However, according to one academic, most of these innovative media entrepreneurs operate in isolation and the broader media ecosystem lacks vibrancy.

Tanzania also faces the phenomenon of news media ownership for political ends. According to Ally, newspapers emerge during election periods, and then disappear. "Electoral politics dominate the media industry," he said, highlighting the social and political influence of the media. Furthermore, media ownership, like civil society, revolves around the capital, Dar es Salaam, strengthening what Ally calls a "government of elites."

The nature of political influence on the media, both through regulatory constraints and intimidation, has a contingent effect on the relationship between editors, who are closer to power, and their journalists. Managing editors in newsrooms do not trust their own journalists, worrying about what they are doing, according to one former Guardian Ltd. reporter.

Media capture is further embedded in the economic circumstances in which journalists operate. According to a report by Tanzania Legal and Human Rights Center, 80 percent of journalists in Tanzania are freelance. They work without insurance, job security, or employment benefits. Press releases for local and international organizations are published without further reporting, simply conveying unvarnished messages. Multiple sources, both among journalists at the receiving end, and among NGOs and companies who issue statements, claimed that the publication of press releases and corporate stories sometimes involve payments to the media or journalists that enable the transactions. A consultant working for

a Norwegian petroleum institute, for example, wrote articles that later were published under a journalist's name.

Consequences for media development

Local journalists, who have limited resources, seek funding from foreign donors, even as they are wary of donor influence. They criticize media development programs like BBC Media Action and Tanzania Media Foundation. In particular, they complain that while important issues such as energy, business, and gold prices reflect everyday local preoccupations, donors want reports on specific issues, such as the difficulties faced by albinos and the repercussions of climate change. Coverage tends to be driven by funding rather than the journalists' news instincts.

Training sessions and ad hoc direct support to media organizations through measures such as story funding have had limited impact. One reporter for a national daily newspaper complained that journalism training on the petroleum industry was extended mainly to Dar es Salaam-based reporters, while journalists from areas like Mtwara, where oil was discovered and unrest erupted, were left out. Furthermore, reporters have to adapt to the changing digital and social media-driven news landscape, focused on media such as WhatsApp, as well as face new security concerns following the introduction of the Cybercrime and Media Services acts.

Conclusion

Media capture has multiple faces in Tanzania. While regulation inhibits freedom of expression and promotes self-censorship, reporters are also confronted with other forms of censorship, such as intimidation, unfavorable economic circumstances, top-down economic and political development, and self-interested ownership patterns. Limitations on freedom of speech and freedom of the press weaken institutional checks and balances, and inevitably support the government's goal of centralizing power (Cheeseman 2016) and pursuing rent seeking activities (Kelsall 2013).

The multiple constraints facing the media in Tanzania limit its vitality, although critical and analytical reporting does take place. Government control is entwined with business interests in an attempt to retain political power. The overall environment produces a forum of media capture dominated by the centralized state, an emerging democracy marked by rent- seeking and corruption, in a wider context of inequality and exclusion enabled by elite-driven privatization processes and global capital.

To date, many pressing questions about Tanzania's political arena remain unanswered. How will the government negotiate policymaking and regulation with an

increasingly powerful political opposition in a more pluralistic public sphere? Can a system of "governance by elites," with its attendant rent-seeking and clientelism (Gray and Khan 2010), be reformed in the pursuit of democratization, industrialization, and steady economic growth? And finally, who has control over the information ecosystem and how does it affect political cohesion and sustainable development?

This report shows that, so far, the authorities have favored a regulatory environment that suppresses the free expression of opinions, thus undermining the role of the press, and they have shown no willingness to change. However, it remains to be seen if democratization and economic growth can be sustained in the current atmosphere of censorship. With censorship and intimidation of journalists on the increase, and new legislative proposals for more centralized regulation, there is cause for concern.

ENDNOTES

[1] Fieldwork for this research was funded partially by St. Antony's College, and by the Oxford Department of International Development.

[2] Participant observation is a unique method of collecting information while interacting with people in everyday life to investigate experiences, feelings, and activities of human beings, and the meanings of their existence (Jorgensen 2015).

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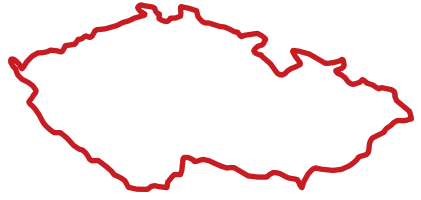
The gradual takeover of the Czech media system

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Changes in the ownership structure of mainstream Czech dailies are transforming what had been a relatively stable Czech media environment over the previous 20 years. Newspapers are now owned by major national business groups with political ties. This text discusses the developments in the ownership of Czech print media and illustrates the changes that the evolving ownership structure brings in terms of media content, media legislation, and public service media. It argues that changing ownership patterns have made media more dependent on the political and business elite and concludes that legislative changes are desirable with a view to protecting media pluralism in the country.

The most important development in the Czech media landscape of the last couple of years has been the sell-off of local media outlets by foreign investors who had taken over much of the Czech media market after the establishment of the Czech Republic in 1993 (Benda 2007), following the breakup of the former Czechoslovakia. It is too early to tell whether the recent takeover of local media outlets by owners with political ties will result in full-blown media capture, but signs are ominous. Supporters of media freedom hope that 2016 legislation regarding media ownership and conflict of interest will help address some of the potential problems.

The international ownership of Czech media that began in 1993 came primarily from neighboring German-speaking countries, with some participation from northern and western Europe media entities in other Central European countries such as Poland, Hungary, and Slovakia. Among the daily press, ownership shifted almost exclusively to international companies, which resulted in the shaping of the new Czech media system according to western models of journalism. The post-Communist media phase placed greater emphasis on independent reporting, developing public service media, reducing state intervention, and liberalizing the media market (Trampota 2009).

Three international publishing companies—Ringier AG, Rheinisch-Bergische Verlagsgesellschaft and Verlagsgruppe Passau—gradually gained critical mass in the Czech newspaper market.[1] The Verlagsgruppe Handelsblatt became the last to join the group of international newspaper owners in Hungary with its economic daily, *Hospodářské noviny*. From the 1990s onward, Zdeněk Porybný, editor-in-chief and main shareholder of the *Právo* daily, was the only Czech owner. In the wake of the political transition started in 1989, political parties were not involved in daily newspaper ownership, the exception being *Haló noviny*,[2] a daily with a small circulation. To their readers, newspapers claimed to be independent of political parties. Over time, newspaper publishers came to include local entrepreneurs who were also active outside the media industry. This was, in part, the result of their media activities expanding from periodicals to newspapers, which were mainly financial and news magazines.[3]

A major change occurred in 2008 when Handelsblatt[4] exited the Czech market. The German publisher justified its decision to sell its business in the Czech market by announcing its intention to focus mainly on the development of online media. In hindsight, the departure took place at the onset of the impact of a global economic crisis, which reduced advertising revenues and the paid circulation of daily newspapers, resulting in the rapid expansion of Internet news services.

Local owners return to the fold

The key turning point in the ownership structure of Czech dailies occurred in 2013, coinciding with a major political change in the Czech Republic, and resulting in a

radical re-alignment of the political, economic, and media power in the country. Andrej Babiš's Agrofert,[5] the Czech Republic's third largest business, announced the purchase of the Mafra media group from Rheinisch-Bergische Verlagsgesellschaft in June 2013. Among others, Mafra publishes the major national dailies *Mladá fronta Dnes* and *Lidové noviny*.[6] The acquisition took on an entirely new dimension because, two years earlier, Andrej Babiš had founded the ANO political movement, with the aim of competing in Czech parliamentary elections in autumn 2013.[7] ANO obtained the second highest number of votes in that election,[8] which earned ANO a place in the government and gave Andrej Babiš the positions of Minister of Finance and Deputy Prime Minister.[9]

The departure of Rheinisch-Bergische Verlagsgesellschaft was followed by that of other international owners of Czech newspapers. Switzerland-based Ringier Axel Springer AG exited the market before the end of 2013.[10] Its place was taken by J&T, a Czech-Slovak investment group, or to be precise, its members Daniel Křetínský and Patrik Tkáč.[11] As a result, they became the owners of *Blesk*, the biggest Czech daily. The last of the Big Three international newspaper owners, Germany's Verlagsgruppe Passau, which controlled the regional newspaper market and part of the magazine market, sold its holdings in the Czech Republic in August 2015.[12] The new owner was Penta, a Czech-Slovak investment group, which had tapped the Slovak media market earlier in 2014 and announced its media expansion in Central and Eastern Europe.[13]

As a result, the ownership structure of Czech newspapers changed completely in a matter of two years. For Czech newspapers, owned primarily by international media companies for 20 years, 2013 marked a radical shift to ownership by large Czech-Slovak business groups, some of which were involved in politics. This also signified transition to a different type of ownership; from what Jeremy Tunstall and Michael Palmer call "pure" media owners, whose holdings are restricted to media, to what they call to industrial/media owners, whose holdings extend into industries other than media (Tunstall and Palmer 1991). While the former news-paper owners were active exclusively in the media business (creating content, publishing, and distributing), the new owners operate in other business sectors (industrial chemistry, agriculture, food processing, health care, banking, real estate, etc.) as well. Their media income accounts for a mere fraction of the overall reve-nue they generate across the range of their activities, and if their media activities underperform financially, they can subsidize them from their other business activi-ties.[14] The recession affected the economic performance of newspaper publishers and accelerated the departure of international owners from the Czech market. The decrease in advertising revenue, caused by cuts in companies' marketing expen-ditures, was considerable. The aggregate turnover of the top Czech publishers decreased by CZK 3 billion, or 20 percent between 2008 and 2011. In addition, newspapers faced the growth of news services on the Internet and a decrease in paid circulation after 2008.

The changes in the ownership structure must also be viewed in the context of broader changes in Central and Eastern Europe. The gradual withdrawal of international owners from the region became apparent in 2009 (Štětka 2015) as media owners sought to focus on their home markets and/or on strategic sectors, particularly in new media and Internet services, to counter declining revenues from newspaper publishing.[15] The Czech-Slovak business groups also offered favorable prices for the media assets, and economic benefits resulting from the sales probably played a role.

The new owners of Czech media can be described as important economic entities closely connected to political parties. Agrofert holds a specific position among them since it is connected through its owner to the executive political power of the Czech Republic. The direct involvement of an active politician of such stature is a new occurrence in the modern-day development of print media in the Czech Republic. In addition, interest in media ownership shows no sign of diminishing among the new owners, who want to extend their reach to other segments of the sector. This applies primarily to the large magazine publishers and strong commercial TV companies.

Overview of Czech newspaper owners (2016)

Owner	Media Company	Newspapers	Non-Media Business	Readership share of newspapers
Agrofer (Andrej Babiš)	Mafra	Mladá fronta Dnes, Lidové noviny, Metro	chemistry, agriculture, food processing, forestry and timbering, renewable resources and fuels, technologies	33%
Czech Media Invest (Daniel Křetínský, Patrik Tkáč)	Czech News Center	Blesk, Aha!, Sport, E15	banking, financial services, energy business, real estate	38%
Penta (Marek Dospiva, Jaroslav Haščák)	Vltave-Labe-Press	Deník	healthcare, financial services, retail, manufacturings, real estate	17%
Zdeněk Bakala	Economia	Hospodářské noviny	corporate finance, M&A, corporate management, public relations and marketing	4%
Zdeněk Porybný, Ivo Lukačovič	Borgis	Právo	none	8%

Transformation of Czech newspaper ownership, 1994-2016

1994–2013   2016

industrialist   pure media   politician/
industrialist
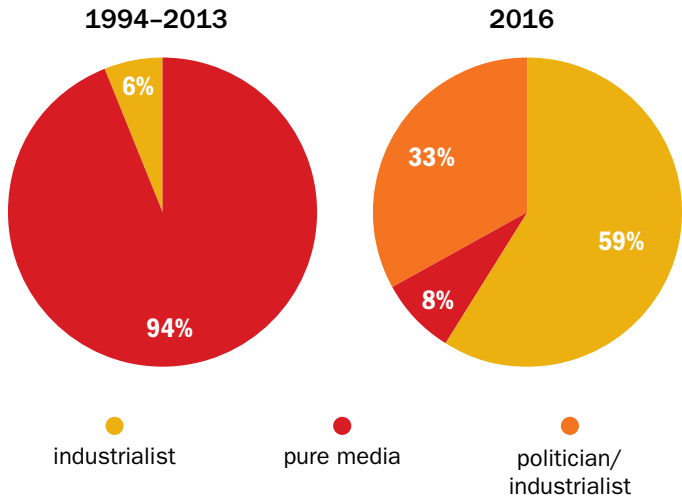
Source: Media project 1994-2016, Stem/Mark, Median

The regional trend toward media ownership by oligarchs

It's too early to know the full implications of the transition to national ownership of media in the Czech Republic, but it's clear that it is part of a larger trend across Central and Eastern Europe. A growing share of the media has become the property of local oligarchs. As a result of the interconnection between economic and political elites, the characteristics of the Czech media sector are changing.

The following section seeks to analyze the impact that the new ownership is having on the media and its role in a democratic society. Using the example of the Czech Republic, I highlight specific manifestations of these changes to illustrate the risks that the integration of media outlets in a political-economic alliance present for the media sector and the world at large.

Departure of media professionals

After Andrej Babiš, the leader of ANO and owner of Agrofert, announced the acquisition of Mafra, some of the journalists employed by Mafra's dailies responded by terminating their employment. Both editors-in-chief of the key dailies, *Mladá fronta Dnes* and *Lidové noviny*, decided to leave their managerial positions at the newspapers and start their own media projects. They reasoned that it would be difficult to exercise their profession with integrity and credibility with a political player as owner. Other experienced journalists, who had been covering developments in key institutions of Czech society, left with them. The departure

of journalists who upheld the principles of independent journalism affected the content of both dailies. The new owner also found it crucial to appoint loyal journalists to the top positions in the two dailies and he set up a mechanism that would allow him to influence the content in accordance with his interests. The owner's direct involvement in editorial meetings is not necessary to influence the content; instead, this is done through a few selected journalists with many years of journalistic experience and a senior position in the media group, which enables them to affect the editorial content.

1. Media independence

Experience to date shows that the arrival of a new type of media ownership in the Czech Republic is affecting content in at least two ways.

First, it involves the owner/political leader's pursuit of his own interest in his approach to his political movement and the coalition government. A newspaper owner who is also a political player uses his access to the media to exert pressure both on his colleagues within the political movement and on his political opponents. For example, doubts arose about the veracity of a *Lidové noviny* story that ultimately led to the dismissal of the Minister of Justice[16] and a *Mladá fronta Dnes* story that attacked Prime Minister Bohuslav Sobotka (ČSSD).[17] Also, the way Mafra's news dailies around the country covered what may be the most serious political affair involving Andrej Babiš to date—suspicion that a European subsidy had been misused for the Stork's Nest Farm project—in the spring of 2016 heightened concerns that the newspapers would not critically cover their owner's interests. The dailies associated with Andrej Babiš did not initiate the publication of this affair and they approached the issue reluctantly.[18]

The transformation of content is not instantaneous: a change of ownership does not work like waving a magic wand. Instead, the change is slow and gradual, and it becomes more visible in tense or important periods. From this viewpoint, demonstrating an intentional bias in the articles published is problematic, and a deeper analysis could yield clear results only after sustained involvement by the new owners over a longer period. The parliamentary election in 2017 may be a pivotal point, as it will take place four years after the active politician's acquisition of the media—a period of time that can be considered sufficient for the owner to establish mechanisms that combine his media and political interests.

2. Non-transparent content and a threat to pluralism

There is also a question about the extent to which the other important media outlets owned by finance and business groups—J&T's Czech News Center, Penta's Vltava-Labe-Media—can still be regarded as "democracy watchdogs." They must be aware that the Ministry of Finance led by Andrej Babiš can influence legislation crucial to their non-media business interests, in sectors that provide the revenues necessary to finance their media activities. This situation could give rise to a media

cartel, within which individual business groups prioritize their business interests over media autonomy and pluralism.[19]

Media content can also be influenced by tensions between the business groups that own the media. In this case, articles hostile to these groups or their individual representatives as well as to the minister of finance may stem from personal differences rather than the actual state of affairs.

Generally speaking, with major business groups in control of newspapers and involved in politics in the Czech Republic, media content has become less transparent and comprehensible for readers. This is also related to the fact that Czech dailies claim independence and do not publicly profess to hold political opinions or a specific worldview. This also applied to the daily newspapers of Andrej Babiš's Mafra media group. Hence, if they support specific political currents, they do so secretly and do not admit supporting specific politicians and their views.

Inequality in political competition

The second most powerful political party in the Czech Republic is connected with media outlets whose share of the newspaper market alone exceeds 30 percent, with a total reach of 1.15 million readers, or about 13 percent of the population. It can, therefore, use the media to promote its political agenda more easily than rival political parties. Experience to date has shown that using the media to attack political opponents directly undermines political competition. Issues that could threaten the media owners and their political movements are marginalized, while the media under their control can raise and stir up issues that affect their political opponents negatively (for reference, see the articles directed at the Czech Social Democratic Party (ČSSD), which is part of the government coalition). Biases in the way that competing political parties are presented in the media become even more evident in pre-electoral periods.

3. Media legislation

Andrej Babiš's political movement, ANO, is the second most powerful political party in the Czech Republic and is well represented in the Chamber of Deputies of the Czech Parliament.[20] An ANO member is also chairperson of the election committee in charge of drafting media laws, which means he can be involved in changing media legislation. In theory, this situation means that ANO can initiate and pursue the enactment of media legislation that could curb the power of its media competitors and create conditions favorable for an expansion of Agrofert's activities in the media.

It has to be said, however, that no legislative proposals confirming such concerns have so far been registered in the Czech environment. This is related, in part, to the structure of political power in the Czech parliament. While ANO is part of the government coalition and responsible for the common government program, in reality its coalition partners (ČSSD and KDU-ČSL) distance themselves from

some of ANO's views, causing tension between the government coalition members and exposing internal opposition to ANO within the coalition. Indeed, the other coalition parties appear unlikely to support any bill strengthening Agrofert's position in the media sector.[21]

4. Impact on public service media

The political and media spheres are intertwined in public service media. Czech TV and Czech Radio have a relatively strong position in the Czech media environment, and are major pillars of the dual media system. At a time when the majority of commercial media are under the influence of political and business groups, their role is even more crucial. Czech TV commands a share of about 30 percent of the television market, which is higher than in some other Central and Eastern European countries. With an average of 20 percent of the market, Czech Radio's position is also in a rather strong position against competition from commercial radio stations.

The greater pressure on public service media stems, on the one hand, from the decline of orthodox business models for journalism and from commercial media operators' efforts to reduce investment flows into public media. On the other, it is related to political pressure and attempts to influence the functioning of public service media. A powerful political entity that owns leading commercial media outlets is almost inevitably tempted to extend its influence to public service media as well.[22]

This situation can also affect the conduct of other major political groups in the Czech Republic and create a desire to influence the content of Czech TV and Czech Radio. If the second most powerful political party controls major commercial media assets, other political parties will want to retain access to media not owned by that political entity. Thus, because of its legal status, public service media are particularly vulnerable.

The framework for the election of members of the Czech TV Council and the Czech Radio Council, the bodies that regulate public media, has long been a controversial topic. Through these councils, the Czech general public is meant to exercise its right of control over the way public service media function. Candidates for membership in the Czech TV Council and the Czech Radio Council are, therefore, nominated by civic associations, but parliament carries out the pre-selection and the actual election. Experience over the past 20 years has shown that the election by the parliament allows political parties to gain influence over individual council members, therefore holding indirect sway over public service media and the way they function. Since ANO has become a major political player in parliament, it can also influence the selection of members of the regulatory bodies that control public service media and/or use its clout in the election of the general directors of Czech TV and Czech Radio.

5. Polarization between traditional and new media

New owners are interested primarily in traditional media, which have a historically established position in society. As a result, political-financial groups have mainly entered the media sector through printed media, a few radio stations, and websites associated with traditional newspapers. New proprietors are expected to enter the TV market in the future. The journalists who left publications after ownership changes are mainly trying to operate independently in cyberspace. Several new media projects launched online after 2013, aiming to provide an alternative to the traditional media, which had become the property of oligarchs. While more media outlets professing to respect the rules of free journalism are emerging online, in traditional media—print, TV and radio—the range is diminishing.

This situation is causing a great deal of fragmentation in the public debate on key issues across society. While social media are an important source of website visitors, they are also responsible in part for growing polarization. News websites, primarily those that launched recently and are smaller, are struggling for economic survival. Income from online advertising is low, and news sites operate in a highly competitive environment. The Czech Internet market is considered saturated, and websites associated with traditional media groups occupy leading positions, making it harder for emerging news websites to establish themselves. New independent media sources, purporting to counterbalance the power of business-controlled media outlets, remain fragile and face an uncertain future.

Possible measures to protect media pluralism

Shared traits can be identified in the development of the media in the Central and Eastern European countries after 1990, but differences in the way the various media sectors were formed should also be underlined. For example, the degree of political parallelism, which Hallin and Mancini (2004) describe as the interconnection of the media and political entities, was relatively low in the Czech media system until 2013. This applies primarily to printed media, which are subject to minimum regulation. Unlike some other countries in the Central and Eastern European region, the development of the Czech media system in the last 20 years can be regarded as stable, without sudden reversals or legislative changes that could have restricted its autonomy.

Since 2013, the structure of the Czech media sector has changed. Andrej Babiš's appearance on the political stage, powerful influence, and involvement in major media have made the political and media spheres more intertwined than they were until 2013, and reduced the autonomy of the media sector. In terms of content and organization, the Czech media sector displayed less political parallelism (Hallin and Mancini 2004) during its post-1989 development phase than countries that followed a Mediterranean (or polarized pluralist) model. With minor fluctuations, in terms of the development of mass print media and political parallelism, the modern Czech media system was close to a democratic-cooperative model in the 20 years that followed 1989,[23] partly as a result of the country's geographical location

in the vicinity of Germany and Austria (Jirák and Trampota 2008). However, the changes in the media system after 2013, particularly in the ownership of daily newspapers, are pushing the Czech Republic closer to the Mediterranean model that is more common in South and Southeastern European countries and typified by the intertwining of media and political parties.

The majority of Czech political representatives continue to emphasize the need for a diverse and free media sector, with public service media playing an indispensable role. Politicians claim that they are interested in protecting pluralism in the Czech media. However, it is becoming apparent that the protection of pluralism will likely require the adoption of new legislative measures.

While media legislation has been quite stable in the Czech Republic and has only been modified slightly (in response to EU media regulations, for instance), the situation has evolved so rapidly that the parliamentary Chamber of Deputies amended the Conflict of Interest Act in the autumn of 2016 to ban future government members and other politicians from operating radio and TV outlets and publishing periodicals. The new wording of the act omits new media and the Internet. The adoption of this measure can theoretically be regarded as positive for the protection of media pluralism. If natural mechanisms preventing an undesired amalgamation of media and politics fail, a legislative measure appears to be the solution to keep both areas separate. In practice, however, it is not clear if the new measure, which can be circumvented through the transfer of assets to related parties, will indeed help address the current situation. It may ultimately result in reduced transparency about ownership and attempts to conceal the true owners. This would create another negative factor affecting the functioning of media in a democratic society.

The same applies to cross-ownership. So far, regulation on cross-ownership has been lenient, and affects only some audio-visual media. The determining factor used to assess media acquisitions is the market share compared to the competition. This is now proving to be an excessively liberal criterion, allowing owners to acquire major media outlets across sectors—TV, press, radio, and the Internet. Legislative amendments should also aim to reduce cross ownership. Again, the question remains whether tighter regulation limiting cross-ownership could have unintended consequences. The experience in Slovakia, for example, shows that regulation of cross-ownership fosters concealed ownership, and the media scene is becoming less transparent about ownership.

It is also important to ensure that public service media retain a strong position. In practice, this means securing continued funding, preferably through the implementation of license fees, and curbing political influence in the election of members of the councils overseeing public service media as much as possible. Pressure from civil society, which is suggesting legislation on a new election model that would have council members appointed directly by respective interest groups rather than elected by parliament, may play an important role. While the observance of media

legislation and its practical implementation require civic and cultural maturity, which is by no means guaranteed, these steps could, in theory, help to curtail the threat of media capture in the country.

ENDNOTES

[1] In 1993 the share of these three publishers accounted for 53 percent of the total paid circulation of the Czech market. The subsequent consolidation of daily paper ownership resulted in an increase in the three firms' share to 73 percent in 2001, and by the end of 2010, it had exceeded 85 percent of the paid circulation. It remained at this level until the 2013 ownership changes.

[2] The entity controlling Futura, the publisher of *Haló noviny*, is the Communist Party of Bohemia and Moravia ("KSČM"). KSČM understands the *Haló noviny* daily as a tool for promoting the party. The daily's circulation sold and its readership are not audited and official statistics are not available. However, the influence of *Haló noviny* on the Czech daily paper market can be regarded as very marginal.

[3] Some news and financial magazines had been acquired by Czech entrepreneurs or financial groups before 2000. PPF, the biggest finance group in the country, owned the *Euro* economics weekly; Karel Komárek's K&K Capital Group owned *Profit* and *Czech Business Weekly*; Zdeněk Bakala owned the *Respekt* weekly and Sebastian Pawlowski owned *Týden*. The number of magazines published by Mladá fronta, whose ownership František Savov claimed in 2012, also gradually increased.

[4] The Dow Jones–Handelsblatt group was the majority owner of *Economia*. In 2007 Dow Jones & Co., an American publishing house, sold its 23.5 percent stake to Verlagsgruppe Handelsblatt. One year later, in September 2008, Verlagsgruppe Handelsblatt (VHB) stated that it had sold its 88.36 percent majority stake in *Economia*. The buyer was Respekt Media, whose sole shareholder is the investor Zdeněk Bakala.

[5] Agrofert encompasses some 250 companies and it achieved the third highest turnover among Czech companies in 2015 (CZK 167 billion).

[6] Agrofert concluded an agreement with Rheinisch-Bergische Verlagsgesellschaft mbH to purchase Mafra, a leading Czech media group, on June 26, 2013. Agrofert described this move as an important step toward building its media division. The acquisition was completed in October 2013.

[7] ANO was registered as a political movement in May 2012, allowing it to participate in parliamentary election.

[8] ANO received 927,240 votes in the election of autumn 2013, which accounts for 18.65 percent of active voters. The winning Social Democrats (ČSSD) received 20.45 percent (more than one million votes).

[9] President Miloš Zeman appointed the new government led by Prime Minister Bohuslav Sobotka (ČSSD) on January 29, 2014. It has 17 ministers coming from ČSSD, ANO and KDU-ČSL. Andrej Babiš's ANO movement has six representatives in the government, ČSSD has eight representatives and KDU-ČSL has three.

[10] Formerly Ringier AG; following a global merger with Axel Springer, it operated as Ringier Axel Springer AG from 2010 on.

[11] The agreement on the takeover of Ringier Axel Springer CZ by Daniel Křetínský and Patrik Tkáč was announced on December 20, 2013.

[12] The agreement on the sale of Vltava-Labe-Press, a regional daily publisher, Astrosat, a magazine publisher, and the Group's other media activities, was announced on August 12, 2015. The assets changed ownership on November 3, 2015.

[13] Penta Group agreed on the acquisition of the 7 Plus, Centrum Holdings and Trend Holding media companies in Slovakia on September 3, 2014.

[14] Agrofert's consolidated revenue totalled CZK 167.134 billion in 2015. The revenue of Mafra, the media group controlled by Agrofert, totalled CZK 2.573 billion in 2015 (which accounts for 1.5 percent of Agrofert's total revenue).

[15] In its official statement announcing the sale of its media assets in the Czech Republic, Ringier Axel Springer stated that it would focus more on digital media activities, in which it holds a leading position.

[16] Minister Hana Válková said in an interview with *Právo* that the media owned by Andrej Babiš, in particular *Lidové noviny*, had been exerting pressure to have her removed from her position. "For the last few months, I would often open *Lidové noviny* and find an article that covered some of my past mistakes in a negative tone. It was like recycling my alleged mistakes," she added. According to the minister, some of the mistakes mentioned by the paper were only conjecture. In an interview with *Mladá fronta Dnes*, which is also part of the Mafra Group, István Léko, *Lidové noviny*'s editor-in-chief, denied claims of targeted attempts to remove the Minister of Justice.

[17] The article was published in *Mladá fronta Dnes* on Friday, February 19, 2016, with the headline "Sobotka's People Buy a Hotel Suspiciously Cheaply." It covered the sale of the Kladenka mountain lodge to the owners of Bison & Rose, a PR agency. Its co-owner Jiří Růžička spoke vehemently against the article, describing it as intentionally biased and deceptive. "I would say *MF Dnes* is lying, with the apparent objective of undermining political competitors… I would like to stress that, in addition to these facts, I have conclusive evidence that journalistic work is misused at *MF Dnes* to fight against the newspaper owner's political competitors," he said.

[18] According to a Newton Media analysis, *Mladá fronta Dnes* published 27 articles and *Lidové noviny* 24 articles about the Stork's Nest affair between January 1 and March 28, 2016, whereas *Právo* published 65 articles in the same period. The media that most actively covered the Stork's Nest controversy were the websites Parlamentní listy.cz and Echo24.cz, as well as Czech TV's ČT24 news channel.

[19] "The environment is protected and a disinformation cartel is formed so information will not surface. This is the biggest threat," media analyst Václav Štětka said during a discussion at the Faculty of Social Sciences of Charles University in Prague in June 2015.

[20] The Chamber of Deputies of the Czech Parliament has 200 members in total and 47 of them are ANO representatives.

[21] "We should call a spade a spade. *MF Dnes* and *Lidové noviny* are not independent newspapers. They belong to Andrej Babiš, who uses them actively as a tool to exert business and political influence, running false and biased campaigns against opponents of his views on their pages," Prime Minister Bohuslav Sobotka said.

[22] In the spring of 2015, Andrej Babiš's Agrofert complained about coverage on the Czech TV investigative journalism show *Reportéři ČT*. In the complaint, Agrofert voiced its concern that the reporters had intentionally tried to promote the notion that Andrej Babiš was involved in a conflict of interest and that Agrofert had reached its prominent position thanks to his influence. The complaint elicited a dismissive reaction on the part

of Prime Minister Bohuslav Sobotka (ČSSD), who emphasized the importance of public media independence. The chairman of another governing party, Pavel Bělobrádek (KDU-ČSL), referred to the complaint as an "attack on free media."

[23] Certain political parties tried to launch their own dailies after 1989 but the end results were largely an economic failure (Jirák and Trampota 2008, 19).


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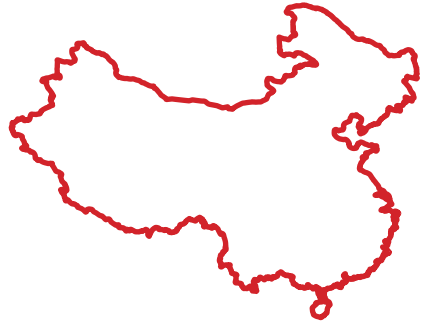
Managed liberalization: Commercial media in the People's Republic of China

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This chapter explores why commercial competition introduced almost four decades ago by the Chinese government and the more recent rise of social media and citizen journalism have not challenged the political dominance of government over the media in China. While the Chinese government continues to exert pressure through intimidation, censorship, and other direct forms of control, a series of regulations, policies, and campaigns have played a more subtle but equally important role in ensuring that privately owned media remain within political limits. As such, Chinese media can be seen as both controlled and captured by the state.

China by the numbers

China Country Data	2014/2015
Total population	1.37 billion (2014)[1]
GDP growth	6.70% (2016)[2]
Unemployment	4.04% (2016)[3]
Adult literacy rate	95.1% (2012)[4]
Internet users (regular)	0.7 billion (2016)[5]
Mobile-cellular subscribers	92 (per 100 people)[6]
Corruption perception score	83/167 (2015)[7]
Freedom House rating	Not free[8]
Reporters Without Borders	176/180 (2016)[9]

Introduction

This chapter shows how the mechanisms of media capture have operated in tandem with traditional authoritarian controls since economic liberalization policies were implemented in the 1980s.

Media capture describes a situation in which the media are unable to maintain an autonomous position in society because they are manipulated by government actors or vested interests connected to politics (Mungiu-Pippidi 2012). The techniques used by oligarchs and political elites to capture the media are distinct from direct forms of suppression by the state. In China, however, long-established methods of control such as censorship and state ownership of media outlets co-exist with an array of new strategies and techniques to limit editorial independence, even as private media flourish.

The Chinese press system has commercialized and digitalized over the past three decades. Yet despite the commercial and technological advancements Chinese media have made, the government is still able to impede the media from carrying out objective and independent reporting through the use of direct censorship, harassment and imprisonment of critical journalists and outlets, and subtler forms of control that characterize media capture.

Image by Kristen Paruginog/Wikispaces

Chinese techniques to capture private media

In the first 30 years after the founding of the People's Republic of China in 1949, the media were used largely as a propaganda tool by the Chinese Communist Party (CCP) and the government to foster citizens' loyalty to the regime and to promote a variety of economic and social policies, including the "one-child" policy. In the 1980s, however, the Chinese media system began to evolve along with the nation's integration into the global economy, and by the end of the decade, commercial media was already adopting some of the stylistic features of Western media. Fierce competition to earn revenue from advertising and subscriptions drove journalists and reporters to more effectively cater to audience interests and tastes (Chan 1993). Some media observers expected that these forces would ultimately undermine government control by encouraging growth, diversity, and competition within the Chinese media sector (Winfield and Peng 2005). Indeed, the quantity and genre of media outlets skyrocketed, but these changes failed to bring the expected progress on press freedom, as the Chinese government in the 1990s adopted comprehensive measures to harness market power for its own objectives (Zhao 2000).

Traditionally, state ownership and censorship were the most common methods to exercise control over Chinese media. More recently, as the media environment diversified, the state's monopoly on the collection and delivery of information, the co-optation of media professionals by business owners aligned with the Party, and a variety of financial incentives have become effective instruments of media capture.

State ownership: licensing and conglomeration

In China, one way for the Party and government to control the media is through the distribution of news licenses to operators of newspapers, television, and radio stations. These traditional media outlets must apply for licenses from the regulator with the endorsement of the Party or government supervisors (Esarey 2005). In early 2016, the *Wall Street Journal* reported that the Chinese government soon may require major Internet portals such as Tencent (Tengxun), NetEase (Wangyi), and Sohu to possess news licenses as well (Xiao 2016). Currently, these tech companies are required to filter out sensitive keywords and follow censorship guidelines. On an individual level, journalists and editors have been required since 2005 to obtain a government-issued press card to legally work in the media (GOV.cn 2005). The press card must be renewed every five years, and the government can deny renewals if it finds cardholders are not behaving "well" (Congressional-Executive Commission on China 2009).

The Party and government have also strengthened their hold on the media by launching consolidation campaigns to shut down "badly behaved" or "unnecessary" media outlets, making it easier to exert control on editorial direction. The most significant of these was the state-guided formation of a handful of press conglomerates in the mid-1990s (Zhao 2000), which shaped the current media landscape in China. The formation of media conglomerates was based on geographic location. Current key players, such as Shanghai Media Group, Nanfang Media Group, and Hunan Broadcasting System, are products of this campaign. These media conglomerates provide the audience with a complete portfolio of products, including newspapers, magazines, television, radio programs, and most recently Internet portals. They are commercially driven, but their success is also highly subject to the interests of the government (Ibid.). For instance, their newspapers and magazines must follow editorial directives from the state propaganda organs, and their television and radio programs must be approved by the General Administration of Press and Publication before being aired.

Censorship

For traditional media, censorship is carried out by the Party and government through appointments of top editorial and publishing personnel to ensure the political acceptability of the content. Party committees—central, provincial, and municipal level—appoint the editor-in-chiefs of newspapers and directors of television stations (Qin et al. 2014). Usually these top editorial personnel are CCP

A sample press card, issued by the General Administration of Press and Publication

members, or permanent employees of the Party, who share the values of the CCP and are responsible for guiding editors and journalists to follow the censorship principles circulated by propaganda units. These Party-appointed key editorial personnel also have control over salaries (Ibid.), and the income of Chinese journalists and reporters depends largely on the "quality" and quantity of their reporting. The key editorial personnel assess quality based on whether journalists have followed the Party's editorial instructions.

Government censorship of new media is also prevalent. According to a 2015 report by *Freedom House* (Freedom House 2015), China has the most sophisticated censorship mechanism in the world, and it has been strengthened over the past several years. One study indicates that "approximately 20,000 to 50,000 Internet police and Internet monitors, as well as an estimated 250,000 to 300,000 '50 Cent Party members' (the colloquial term used to describe Internet trolls who work for the government), participate in the censorship effort" (King et al. 2013). Strategies adopted by the government include delegating the responsibility of censorship to Internet content providers, namely owners of web portals, blogs, and online forums. Failing to conform to government censorship guidelines puts the providers' businesses at risk of being shut down or suffering other consequences. Censorship in the digital era will be discussed later in this chapter.

Monopoly of information collection and delivery

Controls over what is reported are also embedded in the hierarchical structure of media organizations, which is deliberately maintained by the government to sustain power. State media, such as *People's Daily*, Xinhua News Agency, and China Central Television (CCTV), are the "throat and tongue" of the Party and the central government. Similarly, there are media organizations representing the interests of local Party committees and government. The operation of highly commercialized media outlets and foreign news agencies is relatively remote from the government, giving local commercial media some editorial freedom to report on social and economic issues and to produce television and radio programs. Certain outlets, such as Caixin and *Southern Weekend,* are freer than Xinhua, CCTV, and the *People's Daily*.

The right of political reporting is reserved exclusively for official state media, a policy that is heavily enforced by the central government. In the domain of political journalism, domestic commercial media is required to reproduce Xinhua's articles to ensure "political correctness," a euphemism for maintaining the government line. Foreign media agencies, when reporting on Chinese politics and government-related issues, are also under great pressure; the government will immediately shut an organization out of Chinese markets if stories are deemed unacceptable. Thus, even foreign media operating in China are unable to hold the government accountable.

One foreign correspondent reported that when he covered the sinking of a cruise ship on the Yangtze River in June 2015 (BBC 2015), only Xinhua and CCTV were allowed past security guards in the rescue zone to film footage and interview victims, police, and government officials.[10] Other Chinese and foreign journalists were required to wait at a distance, and told to use the reporting of Xinhua and CCTV. According to the correspondent, he was blocked from pursuing his own investigation into the issue when he realized he was being followed by government staff. He believed this was a serious breach of his integrity as a professional journalist.

Co-optation of media practitioners

The Nobel Peace Prize winner Liu Xiaobo once wrote:

> *The bureaucratic system of Chinese media has indisputably linked journalists closely with high officials. Journalists who have found favor with high officials toss aside even the most rudimentary professional ethics, and lose all sense of morality. They turn into praise-singers and concealers of the poverty of political power* (Liu 2004).

Even then, Liu was able to observe that media practitioners in China, especially those employed by the state and Party media, were gradually forming into a special interest group. These people are part of the vested interests that have become affluent and powerful by riding on their connection to the regime (Ibid.). Such co-optation represents one type of soft control by the Chinese government, which buys off media practitioners with money and power. This co-optation discourages media from functioning as a watchdog, and largely decreases the chances of media practitioners going against the will and interests of the Party-state.

The private sector also wields some control over editorial content through financial incentives. There are three commercial factors harming the integrity and objectivity of Chinese media: pressure from advertising and public relations firms; bias toward affluent and urban audiences; and information trading and bribery.

Pressure through advertising spending

As the media industry rapidly expanded, the CCP realized it could no longer afford to subsidize the sector. Subsequently, the government began pulling national subsidies from most media organizations in the early 1990s (Chan 1993), resulting in a turn to advertising as the dominant means for organizations to achieve financial independence (Liu 2004). Fierce competition between profit-seeking firms gave birth to the advertising culture in China. In 2013, China surpassed Japan to become the world's second-largest advertising market (Yeh and Zhang 2013).

However, Chinese media is now subject to the interests of advertisers. In an interview, a Chinese editor working at one renowned domestic newspaper said that in 2009 one of his biggest clients told him to recall an exclusive story, threatening to stop advertising in the papers.[11] As a result, the newspaper ultimately complied with their demands, even punishing the journalist who wrote the recalled story. According to the editor, "There was not much leeway for me to negotiate after he threatened to drop advertisements and never cooperate with us again."

Bias toward affluent and urban audiences

As in the West, Chinese commercial media relies heavily on audience subscriptions (print media), ratings (broadcast media), and views or clicks (digital media) to generate revenues. Advertisers favor media with large audiences. These market-oriented factors have motivated most commercial media outlets to target urban populations, which produce the highest rates of news consumption in China. The *Evening* and *Metro* publications, for example, which thrived after the 1990s, are almost exclusively targeted at urban readers. In contrast, Party-supported papers are better able to maintain coverage of marginalized social groups in Chinese society, a luxury not afforded to more revenue-driven outlets. One prime example, *Farmer's Daily*, is a Party-supported national newspaper targeting peasants and focusing on the agricultural sector.

Information trading and bribery

The trading and sale of information that resulted from the commercialization of the media has damaged the credibility of China's media. Both institutions and individuals pay for favorable media coverage.

Numerous incidents have sparked concerns of paid news, enabling companies in China to pay news agencies in exchange for favorable coverage. In some cases, on the other hand, news agencies supplement their income by blackmailing businesses or individuals with unpublished scandalous or highly critical information (Cho 2009). In 2015, *Money Week* magazine and the website of the *21st Century Business Herald,* a subsidiary of China's Southern Media Group*,* colluded with domestic financial public relations companies, using scandalous or highly critical information to extort companies planning to list on China's Shanghai and Shenzhen stock exchanges (Reuters 2015). In April 2015, the State Administration of Press, Publication, Radio, Film and Television shut down the site and withdrew the publication licenses.

Individual journalists commonly receive "pocket money" when attending company press events. It is acceptable to receive remuneration from companies in exchange for writing an advertorial—an advertisement in the form of editorial content—to publicize the firm. Local governments also engage in such practices. The biggest scandal in recent years may be the revelation, reported by *South China Morning Post* in 2003, that journalists from Xinhua received "gag money" from gold mine owners and local authorities in Shanxi province in exchange for downplaying a mining accident and falsely reducing the number of reported casualties from 38 to two (South China Morning Post 2003).

The pressure from sophisticated corporate public relations professionals has become another headache for journalists. Many public relations managers offer economic benefits to journalists in exchange for the publication of positive reporting on their companies (Tsetsura 2015).

Government control in the digital era

Information and communication technology (ICT), the Internet, and social media have flourished in China over the past two decades. According to the 2015 report by the State Council Information Office (CNNIC 2015), about 668 million Chinese could access the Internet as of June 2015, a penetration rate of 51.3 percent, of which 88.9 percent used mobile phones to explore the Internet.

From the perspective of the Chinese government, the state both enjoys and suffers from the consequences of new technologies. On the one hand, the development of a digital economy, particularly e-commerce, has greatly contributed to the country's economic growth. Tech companies like Alibaba, JD.com, and Tencent have

started growing into international companies that can compete with their foreign peers (Kalathil 2017). However, political scientists once viewed digital technology as a potential promise for China's transition to democracy (Huntington 1996). New media, they hoped, would be a powerful tool for making the government more accountable and responsive to the public. When given free reign, it would also create the space needed for public dialogue and discussion on political and government-related topics. Such potential freedom powered by new technologies seemed to pose a serious threat to the CCP's rule. For that reason, the Chinese government adopted measures like regulation, censorship, and public opinion guidance to control new media (Esarey 2005). The ability of those measures to censor dissent when it matters most and the rising concerns about China's ability to harness the darker side of digital media to surveille and intimidate have all but extinguished the hope that digital media will spur democratization movements in China (King et al. 2013).

Legislation and regulation

Since 2005 the Chinese government has been aware of the danger presented by digital media, especially as bloggers began to develop a public following and gain popularity (Esarey and Xiao 2011). China's government suddenly became alert to the danger that bloggers could pose to the regime. To respond, it quickly required commercial companies that offer blogging services to build censorship into their blogging software, and demanded that owners of individual and non-commercial websites register their real identities and domain names in exchange for a registration number. These laws were later expanded with lists of all the content that is forbidden to post online. New government agencies have been created to implement the regulations, including the Ministry of Industry and Information Technology, founded in 2008 to strengthen this control (English.gov.cn 2014). A 2014 leak of censorship directives issued by a Chinese propaganda apparatus further indicated that at least 30 different institutions and agencies, ranging from the central to the local levels, are involved in the practice of Internet censorship in China (Tai 2014).

Online censorship and self-censorship

Censorship has continued to be an important government tool in the digital era. King, Pan, and Roberts identified three types of online censorship (King et al. 2013). The first, called the "Great Firewall of China," is a mechanism that blocks certain foreign websites from operating within the country. However, many Chinese have found ways to "jump" beyond the wall through tools such as virtual private networks (VPNs). The second category of online censorship has been described as "intermediary," requiring Internet service providers to censor content under the instructions of the government, though some scholars argue that this has a limited restrictive impact on online expression given workarounds through manipulating Chinese characters. The third type is "direct censorship," a powerful method developed by the government over the past 10 years. The Chinese government employs

a large group of Internet police (*wangjing*) and Internet monitors (*wangguan*) who manually check content on Chinese online platforms every day (Chen and Ang 2011; Jing 2016). Empirical studies show that this group is highly efficient in spotting and removing forbidden content, most of which is deleted within 24 hours of the original posting. The 50-cent bloggers, who express pro-government views online, would be in the direct censorship category, according to Simon.

Self-censorship also has been reinforced after several high-profile cases of journalists imprisoned for "unacceptable" reports. In one case, a Chinese financial journalist who broke the news about Beijing's handling of a stock market crash was arrested and accused of spreading fake information (Al Jazeera 2015). While financial reporting has enjoyed more freedom than coverage of politics, this arrest scared many Chinese financial journalists and resulted in even more self-censorship.

Public opinion guidance

The strategy of public opinion guidance has evolved beyond censorship and suppression, and currently targets the receivers, as well as the senders, of information. Since it has become easier for anyone with access to the Internet to publish an opinion, removing and blocking "inappropriate content," as well as releasing regular guidelines to journalists to let them know what subjects should be covered or avoided, are not enough.

Public opinion guidance represents a more sophisticated, subtle, or even loose way to regulate the flow of online information, but it does not mean the government has abandoned control of the media (Tai 2014). The rationale is simple: with information more abundant and traveling faster in the digital age, it is impossible for the official propaganda apparatus to completely isolate the public from negative news; continuing to do so will only decrease the credibility of the regime. Instead, allowing negative news to appear gives officials the space to guide and shape public opinion in its favor, while also building up a positive and open image of government. One common way of shaping opinion in favor of the regime is through patriotic discourse. Evidence shows that the Chinese government pays companies to disseminate pro-CCP comments online and construct conspiracy theories when politically damaging information arises (King et al. 2017). Recently, it has become more common to see people defending the government against negative news, perceived as defamation posted by "political enemies" of China, such as the United States.

Current scholarship provides insufficient research into the impact and effectiveness of this opinion guidance strategy pursued by the Chinese government. However, the journalists interviewed for this chapter said that opinion guidance succeeds in bolstering the legitimacy of CCP rule. "The Party starts to unite citizens," one journalist was quoted as saying. "We, who expose the truth, suddenly become opponents."[12]

Recalling the previous example of the arrested financial reporter, almost all online discussions about the case lauded the action of the government and criticized the journalist.

Conclusion: Hope for the future?

In this chapter, I have shown that while China continues to exert more direct forms of state ownership and censorship of the media sector, it also has employed more indirect forms of control associated with the notion of media capture. Over the past several decades, as the society has opened up and technology has advanced, Chinese media have transformed dramatically to become commercialized and digitalized. What remains unchanged is the Party-state's constant and adaptive control that restrains the independence and freedom of the media.

Despite liberalization, a form of capture enables the state in China to strengthen its control over private media outlets, and the emergence of digital technology has improved the situation only marginally. The reforms and changes that occurred in the media industry during the past decades were not spontaneous, but rather deliberate state policy, designed and controlled by the Party-state. It did not mean to challenge the Party-state itself, and it probably will not do so in the future. Keeping this in mind, defining a solution to current problems of the Chinese media system is nearly the equivalent of proposing an alternative to the current politically authoritarian regime. Thus, there is no immediate or simple solution to the challenges facing Chinese media.

What conditions could bring about press freedom in China?

Market forces have failed to provide the independence and diversity expected in China's media sector. And given the myriad tools for control and capture detailed in this chapter, it is unlikely that a free press could emerge organically in the current environment. The only hope lies in the possibility that the growing middle class may fuel a reform movement, spurring opportunities for social transformation. Around the world, the well-educated and wealthy want to consume high-quality news and media products. Likewise, their Chinese peers could develop stronger demands for quality information and increased awareness of their rights and responsibilities. The Internet, though tightly controlled, remains an important tool for them to understand their role in fostering improvements in Chinese society. The Internet is also crucial in both helping them defend their rights and negotiating with authority. For instance, some Chinese citizens now can watch presidential elections in Taiwan online to learn how a democratic system works; others can read foreign news and watch foreign TV programs to see different societies and

lifestyles. Such exposure to the outside world may make people reassess the performance of their own government.

Hope may also spring from the conflicting ambitions of the Communist Party, torn between the freedoms often required for economic growth and maintaining one-party rule. As long as Beijing relies on economic development as the way to keep its popular legitimacy, there will be compromises made between freedom and authoritarianism.

ENDNOTES

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[3] Trading Economics, China unemployment rate, *first quarter of 2016, available at: *http://www.tradingeconomics.com/china/unemployment-rate.*

[4] The United Nations Children's Emergency Fund (UNICEF), adult literacy rate, available at: *http://www.unicef.org/infobycountry/china_statistics.html.*

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[7] Transparency International, corruption perception score (rank), available at: *http://www.transparency.org/cpi2015#results-table.*

[8] Freedom House, rating, available at: *https://freedomhouse.org/report/freedom-world/2015/china.*

[9] Reporters Without Borders, World Press Freedom Index, available at: *https://rsf.org/en/china.*

[10] Interview on November 13, 2015

[11] Interview on November 21, 2015

[12] Interview on November 24, 2015

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Tunisia's media barons wage war on independent media regulation

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Following the Arab Spring, the collapse of the Ben Ali regime in 2011 seemed to usher in a new era of press freedom in Tunisia. Under pressure from rights activists, the democratically elected An Nahda-led government adopted legislation protecting media independence and set up regulatory bodies for the sector. But since those early victories, media owners associated with political parties have hindered effective implementation of the new rules. Some of these powerful figures are associated with the Ben Ali regime, while others are business leaders who are close to the new government. Tunisia thus presents a cautionary tale. A victory to liberate the press from government control may be meaningless if the sector is not also protected from potential capture by self-serving business leaders.

At first, a dramatic transformation of Tunisia's government following the "Arab Spring" of 2011 looked like it could transform the closed media system into a more pluralistic and democratic sphere by bringing in new regulation and licensing rules. But even though newspapers and websites, enjoying greater freedom of expression, have indeed multiplied since 2011, the growth in news offerings masks a deeper problem in Tunisia's media system. In the latter years of the Ben Ali dictatorship, a handful of relatives and supporters had been granted rights to own television and radio stations, and they have since fought back against media reforms. Furthermore, since taking power in 2011, the Islamist-led government has delayed the implementation of crucial reforms and has allowed its friends to launch radio and television stations.

This chapter describes the attempt to change the Tunisian media system made by the National Authority for Information and Communication Reform (INRIC). It is a tale of media capture, which shows that when backed by the government the private sector can undermine reforms and resist change.

INRIC, a consultative and independent commission, was launched in March 2011, just after the Arab Spring, when democracy advocates lobbied the first interim government for the abolition of the Ministry of Communication and the Tunisian Agency for External Communication. INRIC, which I chaired, raised awareness about the need to learn from countries that had adopted media legislation and regulation to support their transitions to democracy.

These encouraging developments were taking place between 2011 and 2014, but the authorities, meanwhile, showed no willingness to improve the media sector and ensure its independence. The government dragged its feet and hindered media reform, particularly in broadcast media, thus allowing business groups, often close to the deposed president, to take control of or tighten their grip on mainstream media.

Lessons on media reform from new democracies

INRIC was established in a climate of freedom of expression unseen since the launch of the first Tunisian newspaper, *Arra'id Attunisi,* in 1860.[1] The decision to form this media commission was a result of the pressure exerted on the interim government by democracy advocates.

INRIC's main mandate was to recommend ways to "reform the media and communications sector" and to "protect the Tunisian people's right to a free, diverse and fair media," while taking into consideration "international standards for freedom of expression."[2] This commission was also formed to advise on applications

for new radio and television stations and to provide guidelines for the establishment of regulatory bodies for print, broadcast and online media.

Journalists, academics, and human rights lawyers were invited to discuss ways to dismantle the mechanisms used to muzzle the media since Tunisia's 1956 independence from France. By consulting with international experts, journalists, and academics from formerly undemocratic countries, INRIC helped raise awareness of the major hurdles on the path to media reform and the steps needed to protect independent journalism.

One of INRIC's top priorities was to broaden broadcast media, which until January 2011 had been the preserve of the state and of Zine El Abidine Ben Ali's family and supporters.

Radio broadcasting launched in Tunisia in 1938 under the French Protectorate. It was not open to private investors. Paradoxically, print media enjoyed great freedom. Following independence, the government on April 25, 1957, issued a decree to reinforce its monopoly on broadcasting (Chouikha 2015).

Belhassen Trabelsi, Ben Ali's brother-in-law, launched the first privately owned radio station, Mosaique FM, in 2003. A year later, Hannibal TV launched under the direction of Larbi Nasra, a businessman related by marriage to Ben Ali's wife, Leila Trabelsi. These exceptions to the state monopoly on broadcast media were part of a strategy to keep the media under tight control while giving the impression that the government was liberalizing the sector. At the same time, government officials were lobbying the United Nations to hold the second phase of the World Summit on Information Society in Tunis in November 2005.

The government continued its politically motivated liberalization of the media landscape, authorizing Ben Ali's relatives and supporters to establish four radio stations and another TV channel.[3]

Under an internal government agreement, the owners of these radio stations and TV channels were barred from producing or contributing to the production of news programs. They also were barred from broadcasting news shows (INRIC General Report 2012).

After Ben Ali fled to Saudi Arabia in January 2011, the broadcast media outlets he had licensed violated the terms of their agreements, especially the prohibition on the production and broadcast of political programs.

Regulated attempts to transform the broadcast media landscape

Following the fall of the Ben Ali regime, positive steps were taken toward creating a more diverse and regulated media landscape.

Given the importance of broadcast media in Tunisia and elsewhere in the Arab world, the mandate given to INRIC clearly stipulated that one of its main tasks was to "give its opinion concerning applications to establish radio and television stations..." (INRIC General Report 2012). INRIC received applications for 74 radio stations and 33 TV channels.

Without a legal framework to regulate broadcast media, but determined to end favoritism in the granting of licenses, INRIC set up working groups to establish standards for the transparent evaluation of radio and TV license applications.

In June 2011, INRIC recommended granting licenses to 12 radio stations. These included underserved areas like Sidi Bouzid, where the uprising against Ben Ali erupted in December 2010 (INRIC General Report 2012).

On September 7, 2011, INRIC publicly announced that it granted licenses for five of the 33 applications for TV channels. The announcement was in defiance of the office of interim Prime Minister Beji Caid Essebsi, which did not want the group to make the decisions public prior to the elections. The government was subjected to intense lobbying by media broadcasters licensed under Ben Ali (INRIC General Report 2012), which did not want to share revenues from radio and TV commercials and did not want broader coverage of the first elections since the fall of their benefactor.

Due to the legal void created by the delay in the implementation of Decree-Law 116 on broadcasting, some TV stations—Al Janoubia TV, Al Ikhbarya TV, Tunis Carthage TV, Al Tounisia TV[4]—started airing their programs illegally. They faced no adverse reaction from the authorities.

Vested interests, old and new, resist change

The new legislation paved the way for a positive transformation of the media landscape, but vested interests fought hard to undermine the new rules.

The introduction of Decree-Laws 115 on print media and 116 on audiovisual media, drafted by legal experts from the High Authority for the Achievement of the Revolution Objectives in cooperation with INRIC and media groups, and the establishment of a Supreme Independent Authority for Broadcasting Communication (HAICA), helped pave the way for media reform.[5] The two decree-laws, which replaced restrictive legislation and filled a legal vacuum of several decades, were published in the official Gazette on November 4, 2011.

Decree-Law 115 affirms the right to freedom of expression and its exercise in accordance with Article 19 of the International Covenant on Civil and Political Rights. It bans interference by the Ministry of the Interior in matters related to the press, printing and publishing, allowing only the judiciary to examine these matters. But, surprisingly, it also imposes strict criteria to become a journalist, a result of lobbying by the National Union of Tunisian Journalists (SNJT). It also

stipulates prison sentences for "praising war crimes… and crimes against humanity" and calling for "national, ethnic or religious hatred." Most countries address these issues in the penal code.

Local media proprietors, led by the owners of Hannibal TV and Nessma TV, fought against Decree-Law 116 on broadcast media, which would have opened the field to greater competition as well as more ethical and professional journalism. They launched smear campaigns against INRIC and HAICA, the regulator established in May 2013, and succeeded in delaying the implementation of the decree-laws.

Local and international rights groups welcomed the new legislation and urged the government to speedily implement the two decree-laws. So did Margaret Sekaggya, the United Nations Special Rapporteur on the Situation of Human Rights Defenders, and Reine Alapini-Gansou, the Special Rapporteur on Human Rights Defenders of the African Commission on Human and Peoples' Rights.

For nearly 18 months, these calls were ignored by the Islamist-led government, which used the opposition of some business groups as an excuse to delay the implementation of the new legislation and the formation of HAICA. The Syndicate of Media Outlet Owners, a group formed in 2011 by media owners loyal to the ousted autocrat, was the voice of opposition of media reform.

The main reason for the postponement, however, was lack of political will on the part of the government. The victorious An Nahda was determined to launch its own broadcast media outlets, and it encouraged Islamist activists to do the same before Decree-Law 116 came into force.

The cooperation that developed between the An Nahda-led government and print and broadcast media owners, including the Tunisian Federation of Newspaper Directors (FTDJ), which had replaced the defunct Tunisian Association of Newspaper Directors (ATDJ) in 2011,[6] led to their backing a conference in April 2012. The conference focused on replacing Decree-Laws 115 and 116 with a legal framework more accommodating to private media owners and the Islamist party. INRIC and SNJT boycotted the event.

Islamist radio and TV stations launched in greater numbers after the An Nahda-led government proved unable to influence the editorial line of public media, particularly Tunisian national television. Frustrated that public media outlets gave voice to critics of the Islamist-led government, An Nahda president Rached Ghannouchi threatened to privatize them.

Many radio and TV stations launched by An Nahda members or by businessmen—Zeitouna TV; Al Hedeya TV; Al Mutawaesset TV, which later changed its name to "M Tunisia TV"; Tunisia News Network (TNN); Al Insen TV; Radio Addiwan; and others—started broadcasting illegally while the An Nahda-led government blocked the implementation of Decree-Law 116.[7]

Backed by An Nahda, Zeitouna TV has been operating illegally since its launch in 2012 and refuses to abide by HAICA's decisions. During a 2015 broadcast, one of its presenters shredded a letter from HAICA.

Like other broadcast outlets owned by businessmen or political parties, such as Nessma TV and Al Janoubia TV, most of the pro-Islamist radio and TV stations obtained their broadcasting licenses during a time when HAICA experienced a frequent number of attacks.

As of January 2017, HAICA had licensed 23 private radio stations and 10 associative radio stations, as well as 11 private television channels. However 3 of them (Hannibal TV, Nessma TV and El Hiwar Ettounsi TV) have yet to abide by the "broadcasting regulator's specifications," according to HAICA Board members.

Tunisian media owners, shades of Italy's Berlusconi

Currently, the biggest threat to independent journalism and broadcast media regulation stems from media owners seeking to follow the example of Italian media tycoon and former Prime Minister Silvio Berlusconi.

The media proprietor who has most visibly used his media outlet to gain influence in politics is Nabil Karoui, former CEO of Nessma Broadcast. His media group registered in Luxembourg in 2008 and launched Nessma TV a year later. This second private television channel, authorized to broadcast under Ben Ali, is owned by Karoui in partnership with other businessmen and groups, Tunisian and foreign, including Berlusconi's Prima TV and Mediaset Investment.

Although Karoui resigned as CEO of this media group in January 2016, many believe he is still influencing Nessma TV's editorial line. Karoui played a leading role in weakening HAICA, as well as in thwarting media reform and delaying implementation of the new media legislation. While launching smear campaigns against HAICA, he gained the support of Islamist, liberal and leftist leaders, such as Rached Ghannouchi, Beji Caid Essebsi, and Hamma Hammami, to whom Nessma TV paid special attention prior to the 2014 elections. In April 2017, Transparency International, the global anti-corruption movement, condemned a smear campaign against its Tunisian partner, IWatch, allegedly orchestrated by Karoui (Transparency International 2017). This ironically coincided with a controversial government "national consultation" promoting a draft law that would establish a new and toothless broadcasting regulator to replace HAICA (Belhassine 2017).

Nessma TV garnered exclusive coverage of a reception held at the Presidential Palace in Carthage in November 2015 to honor four Tunisian labor, professional and rights organizations that won the 2015 Nobel Peace Prize. The chief executive officer of the public Tunisian Television, Mustapha Ben Letaief, condemned the obvious favoritism.[8] His protest, coupled with his determination to protect the editorial independence of public television, led to his ousting as CEO.

Larbi Nasra, the founder of the first private television station, Hannibal TV, is also enmeshed in politics. He used his television channel to promote himself and influential politicians, and to denigrate media reform.

In November 2013, Nasra sold more than 80 percent of his shares in Hannibal TV to Saudi and Tunisian businessmen, with flagrant disregard for Tunisian law, which requires transfers to be approved by HAICA. In 2014, Nasra founded a political party and ran for president, obtaining less than 1 percent of the vote.

Nasra and Karoui were not the only media owners to evade laws or defiantly ignore the broadcasting regulator's decisions. Political activists opposed to Ben Ali, such as Taher Belhassine, founder of El Hiwar Ettounsi TV, and Omar Mestiri, co-founder of Radio Kalima, also sold their media shares, amid a climate of rising media corruption, opacity and marginalization of HAICA. Licensed by HAICA in 2014, these outlets were sold respectively to the wife of Sami Fehri, a former television owner and producer close to Ben Ali, and to businessmen close to Slim Riahi, the leader of the Free Patriotic Union party.[9]

A study conducted in July 2016 by Reporters Without Borders and Al Khatt, a Tunisian non-governmental organization linked to the Tunisian investigative online magazine *Inkyfada,* quoted Al Khatt President Malek Khadhraoui, who said: "The majority of television channels analyzed for this study (6 out of 10) have a direct or indirect link with a political party or a politician" (Al Khatt-Reporters Without Borders 2016).

The study was a reminder that when it comes to abiding by the law or journalism ethics, print media do not enjoy a better reputation than broadcast media. Legal provisions introduced to promote transparency about ownership and circulation are routinely ignored. "Newspapers are legally obliged to publish the number of issues printed. No newspaper does so, fearing that this would affect advertisers and therefore their financial situation," according to Khadhraoui.

Newspapers and news websites have multiplied since 2011, and have enjoyed a wide margin of freedom of expression. But due to the lack of revenues few manage to survive, since advertising mainly supports government-backed private and public newspapers, as was the case under Ben Ali.

The 2014 report on *Journalism Ethics in the Print Media* issued by SNJT quotes a businessman involved in negatively influencing newspapers as saying that he came to the conclusion that "it would be better and less costly for me to distribute a handful of money here and there to newspapers, than to cope with the cost of publishing a weekly newspaper."[10]

Under the decree-law regulating print media, no person or group can own or publish more than two periodicals. To prevent any group from wielding excessive influence, the number of copies printed cannot exceed 30 percent of the total printed in a specific type of periodical in Tunisia.

The establishment on April 20, 2017, of a self-regulating press council did not spur much enthusiasm among independent journalists, despite support from the international freedom of expression group Article19. "Protecting and abiding by media ethics has not become yet part of the culture embraced by the media," said Nejiba Hamrouni, former chair of SNJT and co-founder of the now-defunct Civil Coalition to Defend Freedom of Expression.[11]

Many media outlets have been turned into tools of disinformation in the hands of business people hungry for power and in collusion with political parties and figures.

On July 18, 2016, the National Commission to Fight Corruption (INLC), the Tunisian League for Human Rights (LTDH), SNJT and FTDJ denounced "mafia-like" media outlets that had turned into "criminal gangs," warning against their dangerous impact on Tunisia's transition to democracy.

Why promote media regulation?

Thanks to thriving civil society groups, awareness of the need for independent media reform and regulation has risen since Tunisia's revolution, despite the capture of most of the country's media outlets by businessmen who promote their own interests and political agendas through their newspaper or television channel. This is occurring at a time when freedom of the press is backsliding in neighboring countries. Media outlets, particularly radio and television, are increasingly used as tools of propaganda by governments and political or religious groups, including radical Islamist movements.

The establishment of media regulators in neighboring Algeria and Morocco is widely seen as government window-dressing, rather than as a genuine move to protect independent broadcasting media and regulation. The imprisonment, in June 2016, of two senior staff members of a private Algerian television channel is a reminder of Arab governments' lack of tolerance for independent media and regulation (International Media Support 2016).

Many Arab academics and journalists are advocating for media reform and regulation, and warning that the increasing influence exerted over the media by politicians, businessmen, and religious groups eager to further their interests poses a serious threat to independent journalism as well as to citizens' rights to information and well-being.

"An unregulated market and the absence of laws governing media ownership, especially regarding the identity of owners, has led to a chaotic situation and has allowed powerful media owners to advance individual and self-serving agendas, all of which erode freedom of expression and the expression of alternative points

of view," said an Egyptian democracy advocate in 2012 during a conference in Cairo (Allam 2012).

Undeterred by many challenges at home, Tunisian rights groups took the initiative in April 2016 to warn against the threat posed by a project sponsored by the International Federation of Journalists and the Federation of Arab Journalists, which aimed to establish a special mechanism to protect media freedom under the umbrella of the government-controlled Arab League. (Nawaat.org 2016). Ironically, the same Arab League had notoriously adopted in 2008 a charter to regulate satellite Radio and TV Broadcasting. The charter required Arab broadcasters to exercise freedom of expression without defaming Arab "leaders or national and religious symbols."

Despite the collusion between government officials and businessmen eager to use the media solely to promote their interests and political ambitions, the Tunisian experience demonstrates that well-informed civil society groups can play a significant role in promoting independent media regulation.

Tunisia's first, timid steps toward democracy and independent media regulation would have slid off course without the vigilance of its civil society groups and the backing of the international community.

In a statement issued in July 2016, hundreds of Tunisian democracy advocates acknowledged, however, that press freedom remains "threatened by cronyism, mediocrity, lack of professionalism, interaction between media and dirty money, and between media and political-financial pressure groups."[12] Media takeovers by businessmen have intensified, especially since the two main political parties, An Nahda and Nidaa Tounes, formed a coalition in early 2015.

Fragile reforms face new threats

The collapse of Tunisia's dictatorship in 2011 allowed unprecedented freedom of expression and paved the way for a public debate on the role of the media after the foundation of INRIC. This media commission played a key role in raising awareness of international standards of freedom of expression and the need for legislation and regulation that would enable media outlets to protect the transition to democracy.

Local and international rights groups welcomed the new legislation and regulation. But political parties such as An Nahda opposed, as did private media owners. They established or bought scores of radio and TV stations to serve their political ambitions, ignoring legal and ethical rules. Their sustained attacks have weakened the Arab world's newest and most independent broadcasting regulator.

The steps taken by Tunisia on the difficult road to genuine media reform, including the adoption of constitutional protections for the rights to press freedom, free access to information, and fair media regulation, could not have been achieved

without the vigilance of civil society groups, which monitored media outlets and television attention-hungry government officials inclined to favor influential media proprietors. These positive developments still need to be defended.

Tunisia's emerging democracy is no longer threatened by a despotic ruler, his family or his ruling party. These days, self-serving businessmen and politicians, tragically unaware of the benefits of a free, fair and regulated media, pose the main threat.

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ENDNOTES

[1] Arra'id Attunisi was published first in July 1860. It became the official gazette of the Republic of Tunisia on July 26, 1957.

[2] According to Decree No. 10/2011 dated March 2, 2011.

[3] Radio Jawhara FM, established by businessmen supportive of Ben Ali's regime, in July 2005; Radio Zitouna FM, established by Ben Ali's son-in-law Sakhr El Materi in December 2007; Radio Shems FM, established by Ben Ali's daughter Cyrine in August 2010; Radio Express FM, co-founded by Mourad Gueddiche, son of Ben Ali's personal medical doctor, in October 2010; and Nessma TV, to supporter Nabil Karoui, in June 2009. El Materi also bought Dar Assabah print media group. Since 2011 his media outlets and Shems FM have been run by the government.

[4] Research based on news reports.

[5] More information at *http://haica.tn/*.

[6] The Tunisian Association of Newspaper Directors (ATDJ) was expelled from the World Association of Newspapers for its inaction on June 4, 1997, amid rising attacks on the media in Tunisia.

[7] Personal research based on news reports and interviews with media researchers.

[8] Interview with Mustapha Ben Letaief, law professor and former CEO of the public Tunisian Television.

[9] Research based on news reports and interviews with media researchers.

[10] From the 2014 Journalism Ethics in the Print Media report by the National Union of Tunisian Journalists, 12.

[11] Hamrouni's quote is from the introduction to the 2014 Journalism Ethics in the Print Media report by the National Union of Tunisian Journalists.

[12] Posted on Petitions24.net in July 2016: "On the Eve of 59th Anniversary of Tunisia's Republic Day, Journalists Demand Truth about Dangerous Excesses of Media under Ben Ali." See *http://www.petitions24.net/pour_la_verite_sur_le_systeme_abdelwahab_abdallah#form.*

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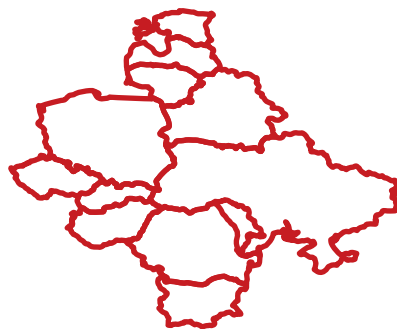
Exposing Eastern Europe's shadowy media owners

PAUL RADU
Director, Organized Crime and Corruption Reporting Project

The case of Romanian politician and media mogul Dan Voiculescu, sentenced to prison for fraud, illustrates how media have been captured by powerful business interests, often with ties to the security and political establishment, across Eastern Europe. Voiculescu did not hide his close ties to the media. In many countries of the region, however, the media ownership structure is far more complex, with proxy companies concealing the real owners. This article focuses on the work of the Organized Crime and Corruption Reporting Project (OCCRP), a network of investigative journalists, and the challenges the project has faced to expose media owners and reveal their connections with crime and politics across the region.

Introduction

When one of the most powerful Romanian oligarchs, Dan Voiculescu, was sent to prison in the summer of 2104 for corruption related to the illegal privatization of the Food Research Institute (ICA), his media companies went on the offensive and furiously attacked the judge who had handed down the 10-year sentence.

Voiculescu is the biggest media mogul in Romania. His outlets boast the largest audiences in the country, and through his ownership of media he exemplifies Romanian power players who wield influence. Voiculescu founded the Intact Media Group, comprised of six television stations (including the market leader, Antena 3), five print publications, and two radio stations. He has used these media assets to promote his ideas and attack his political opponents. For example, after the 2014 verdict, which called for the seizure of his assets—including the headquarters of Antena 3—to cover damages, these outlets were instrumental in bringing people out on the streets to support him and protest against the former president, Traian Băsescu, claiming the court cases against Voiculescu were politically motivated.

Voiculescu became a media baron by being among the first investors to take advantage of large-scale privatization in Romania after the fall of Nicolae Ceaușescu in 1989. Intact Media was born on the back of Voiculescu's other business group, Grivco, which had taken over lucrative commercial deals, including shipping and oil businesses, from Romania's Communist government. The magnate had been declared a collaborator of the Securitate, the infamous Romanian Communist secret service, which gave him a privileged status under Ceaușescu's regime, and his businesses in the post-Communist era were deeply rooted in this relationship.

In Romania, as in most Eastern Europe countries, some of the most important media organizations are attached to business conglomerates run by oligarchs—like Voiculescu—who have brazenly manipulated media coverage at the outlets they control. Often, TV, radio, and online and print publications become weapons in the hands of these businessmen to attack their opponents, or, alternatively, to cater to people in power who can award them lucrative state contracts. This state of media capture leaves the public at large without trustworthy sources of information; the overt forms of state propaganda may be a relic of the past, but Romanian media still serve the interests of the powerful.

In some cases, that is evident to the public. The Voiculescu case was relatively straightforward, since the public knew he controlled the media outlets that were attacking the judge. In many other instances, however, owners of influential media hide behind opaque offshore company structures and dictate the public agenda through proxies. In such instances, the illusion of independence is far greater. This chapter describes the challenge of uncovering the structures of media capture when they are deliberately hidden from view.

In 2014, OCCRP set out to untangle the intricate web of connections that influences the quality of the news in the region. OCCRP initiated a region-wide investigation of media ownership and its connections to crime, politics, and secretive offshore companies. We picked the most influential media across Eastern Europe based on their audience numbers, or on notoriety when numbers were not available. In total, we investigated 533 media utlets—print, online, radio, TV, and hybrid—across 11 countries.
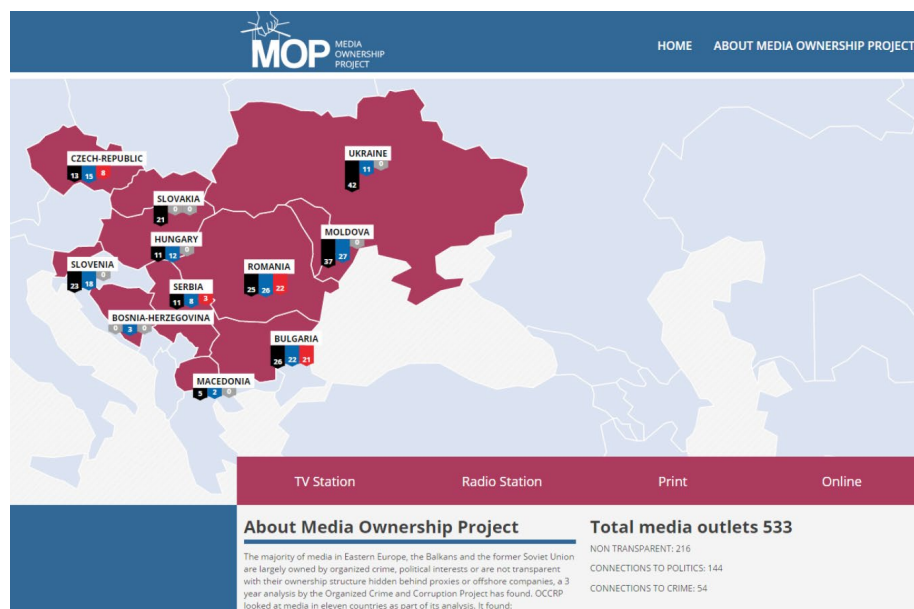
Screenshot from OCCRP's Media Ownership Project website. https://www.reportingproject.net/media/

We found quicksand—an elusive, shape-shifting world of ownership:

- Politically connected businessmen have increasingly become media masters, while journalist-owned organizations, once common, are in fast decline.

- In some countries like Moldova, Romania and Bulgaria, former members of the security establishment have interests in prominent media outlets.

- Persons with criminal records and even prominent organized crime leaders show up regularly, particularly in Romania.

- Media ownership structures can be complex, sometimes embedded within six or seven levels of shell companies. Offshore companies often feature in these structures, obscuring the real owners, and this trend of controlling media through offshore entities is on the rise.

- Media are often owned by proxies, or persons who stand in for the real owners. Sometimes, the proxy owner is the wife or long-time associate of a politician; in other cases, it not clear who the proxy owners represent.

- Media ownership structures differ by country. Some favor offshore registration, while others are more transparent, with politicians and crime figures openly owning the media outlet.

- Media ownership changes rapidly, with some companies changing hands five or six times per year.

- Media coverage often reflects the interests of the owners.

The work

Reporters in these 11 Eastern European countries received access to a web-based database, where they posted their findings over two years. The database itself and the strategies for uncovering ownership were inspired by previous OCCRP investigations into corruption that had touched upon media capture and a lack of transparency in the region's press. Our artists designed iconography meant to illustrate each type of entity encountered: company, offshore company, court case, proxy or nominee, beneficial owners, and others. New icons were added as our investigations progressed, and we ran into new ownership scenarios.

The database was capable of automatically categorizing the media ownership based on the data inputted by reporters. If, for example, the ownership chain led to an offshore type of company whose beneficial owner was not listed in public databases, the system flagged the media company as non-transparent. The same applied for the other two main indicators: a media outlet was flagged as connected to politics if a person in the ownership scheme was also a politician; the outlet was classified as connected to criminal court cases if an owner had been convicted of organized crime or corruption. All relationships and connections were based on public records, which were linked to the system in a way that allowed viewers to consult them and independently verify our findings.

Our methodology was drawn from previous experiences of "following the money" and tracking down complex ownership structures. As a first step after identifying the targeted media, reporters combed through company records to peel back the layers of media ownership. Initial searches focused on companies registered as media owners on publications' websites or with various state bodies.

Work always started at the local level, with online searches and formal information requests addressed to company registries in each country.

In some cases, the media owners were revealed immediately as a result of these searches, but journalists found complex business ownership schemes under the initial layer of media ownership. Secretive offshore types of companies popped up in media across the region, and reporters had to cast their data-gathering nets wider and deeper.

At this point, Investigative Dashboard (ID) researchers came to the rescue. The ID is an OCCRP pro bono due diligence service for journalists who need to follow companies and people across borders. ID researchers did a lot of the heavy lifting, tapping into costly international business databases and sending information requests to corporate registries in offshore havens as varied as the British Virgin Islands, Gibraltar, Delaware, and Cyprus.

Some of these searches were successful, but many yielded unsatisfactory results because of the high level of secrecy in some jurisdictions. Countries such as Belize, the Seychelles, and Panama, for instance, don't keep files on the names of beneficial owners of locally registered businesses. In these cases, our research came to a dead end. If the ownership tree stopped in a secretive jurisdiction—sometimes after five or more sandwiched layers of ownership—the system automatically catalogued the medium as non-transparent. In Ukraine alone, 75 percent of the 56 media outlets that OCCRP looked at were categorized non-transparent, as ownership schemes led to companies in Cyprus, Belize, or other places where beneficial ownership data was not available.

OCCRP also made a clear distinction between beneficial and proxy owners. Proxies are just fronts for hidden entities, and usually are identities for hire—involved as directors and shareholders—in dozens if not thousands of companies.

We conducted company searches worldwide and at the national level, followed by checks in court records databases to identify cases of media owners tried and convicted for corruption or organized crime activities. The process is particularly tedious, because court records are difficult to access in many of the region's countries. Our reporters filed numerous, time-consuming freedom of information requests with courts to obtain copies of criminal litigation cases. The same iterative process was followed to pin down the political affiliation of media owners.

Offshore secrecy and the authorities' slow responses complicated the investigations. One interesting finding was that media ownership shifted at great speed, requiring us to constantly update our data as the media changed hands or media owners found ways to hide behind new offshore companies.

For instance, an Auckland-based firm was found to be involved in the ownership of numerous companies in Eastern Europe, including a Moldovan TV station.[1] Once OCCRP exposed the station's non-transparent structure, its ownership was transferred to a British holding company to obscure the identity of the real owners.[2]

Internet ownership

While investigating the media, we ran into a few cases where content providers (media companies) were also Internet service providers (ISPs).[3] We then investigated who controls the Internet pipelines in the region, using the same type of database and methodology to map the companies and people providing Eastern Europeans with access to the Internet. Our findings were similar to those we had discovered by researching media ownership. We ran into a world of offshore companies obscuring beneficial ownership, and found connections to crime and politics.

We also discovered a key difference: Internet provider ownership is more stable than media ownership. Entities behind the ISPs don't change as often. With the Internet Ownership Project, we implemented a system that automatically identifies the ISP and lets Internet users in the region know who is behind the Wi-Fi network they have just connected to. Transparency in the ownership of both Internet service providers and media is increasingly important, as most of the independent media in the region have moved onto the Internet and social networks. These offer new opportunities not only for people trying to provide truthful information to the public, but also for those who want to muzzle the press.

For the time being, Romanian mogul Voiculescu is still behind bars, and his media continue to attack the judge who put him there. Other media owners in Eastern Europe may hope to keep their identity hidden behind proxy companies. As OCCRP investigations have demonstrated, however, determined researchers can use advanced investigative techniques, including data journalism, to track links between politics, crime, and media, and expose those who misuse the media for their own interests.

ENDNOTES

[1] For more information and links on this case, see the online report at *https://www.occrp. org/en/investigations/1591-a-televised-hide-and-seek.*

[2] For more on the challenges of tracking down ownership structures, see Paul Radu, "Follow the money: how open data and investigative journalism can beat corruption," in Against Corruption: A Collection of Essays. (London: Policy Paper from the Prime Minister's Office, 2016). *https://www.gov.uk/government/publications/against-corruption-a-collection-of-essays/against-corruption-a-collection-of-essays.*

[3] The data and reports from this project can be found at *https://www.reportingproject.net/internetownership/.*
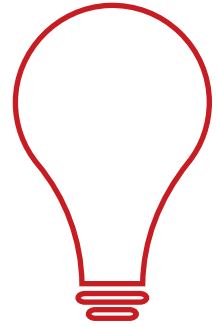
What is to be done? Options for combating the menace of media capture

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Media capture is a major strategic challenge for the global community, and efforts to curtail or limit its impact are woefully inadequate. This article looks at some of the potential policy approaches and strategies for combatting media capture, and it examines the roles of government, civil society, and various players within the international community, including media companies and media development practitioners. From the standpoint of governments, it asks whether, and what kind of regulation might play a part in the mix of policies that help limit media concentration and capture at a time of deep-seated uncertainty and flux in the media sector. It examines how civil society and coalitions have been created to deal

with this problem, and how they have pushed for more transparency of ownership, knowledge sharing among countries, and awareness raising among citizens. It shows the critical role that international organizations can play in collecting data, supporting research, and helping to facilitate strategic policy forums where corrective actions can be debated and agreed. Finally, it argues that the most effective approaches will be those that strengthen public awareness and political will on media capture and its deleterious effects on the overall governance environment.

Introduction

Nearly two decades after the end of the 32-year Suharto dictatorship, Indonesia has managed to remain on an advancing developmental path. It has clocked up steady 5 percent growth for the last few years, reforming critical governance and economic management systems, and maintaining a relatively peaceful order among its diverse populations. Indonesians elected a new president in 2014 who regularly reaffirms his support for media freedom, calling it one of the key democratic achievements of the post-Suharto era.

But a storm is gathering in Indonesia's media space. Like a lot of other countries across the world, Indonesia's media is being coopted by wealthy political actors. While still a long way from the kind of extreme media capture that has overtaken places like Russia, China, Venezuela, and Turkey, Indonesian media ownership has gradually been seized by a dozen large political-industrial groups vying for power. This process is laying the groundwork for systemic capture. "There is a still a certain diversity," says Bambang Harymurti, the editor of *Tempo* magazine who has spent much of his career fighting the interference of media moguls. But for a politician who wants to challenge the current leadership in the future, he adds, "it will be a temptation."[2]

Indonesian President Joko Widodo is all too familiar with the risks. At a recent meeting, his staff came prepared with data about media ownership and a set of recommendations that were drawn up a few years ago by a massive study of the media environment (Nugroho et al. 2012). Yet, even in this country where the leadership is trying to integrate media into a modernizing governance system, resistance to reform is strong. A change in the media environment is seen as challenging the underlying political order, and perhaps the stability, of the entire country.

Without a doubt, media capture has quickly become one of the world's most difficult and intractable problems. In country after country, collusion between governments and wealthy media owners is becoming the preferred method of political

consolidation and maintaining the power of a small, self-serving elite. When the media controllers are in power, they are proficient at staying there. When they are outside the power structure, they are learning from the successful cases how to take over. Exacerbated by the economic weakness of the traditional news business and the growing concentration of ownership of media industries, media capture has become one of the major tools for undermining democratic societies and handing them over to authoritarian rule.

The impact of media capture constitutes a governance and security challenge with major strategic implications for the global community. As media capture spreads, especially in concert with authoritarianism, it is a menace that becomes progressively embedded within the political system, impervious to reform. Practiced and perfected by regimes like Russia and China, it is being copied and adopted all over the world, and may provide a gateway for Russian or Chinese influence in vulnerable democracies. Studies on media capture have shown links to a broad range of negative impacts on society, from global security and stability to income inequality and international aid and development policies (Petrova 2008; Corneo 2006).

The aim of this chapter is to explore the policy implications and approaches to addressing and deterring media capture. It will look at the roles of government, civil society, and the international community, including the media development community, all of which play a critical role in tackling this challenge. It will examine how societies build political will to resist this phenomenon. It will ask whether regulation can thwart it, or whether the media industry itself might be increasingly willing to resist it. It will look at the role of ordinary citizens and news consumers, who increasingly must take responsibility for the media they consume. It will argue that this growing phenomenon of media capture, which is part of a widespread attempt to undermine existing democratic structures across the world and is often intertwined with organized crime and corruption, deserves much more attention from people who are concerned about global stability, democracy, and economic development.

Media manipulation by the powerful is nothing new. And concentration of media ownership, which seems to be a "fellow traveler" of media capture, has been a market response to changes in technology—the Internet and social media platforms such as Facebook—and new kinds of journalistic competition such as blogging, talk radio, and citizen journalism. The expectation that digital media would undo the process of monopolization has proven to be untrue, as Joseph Stiglitz points out earlier in this volume, and in fact only introduced new forms of concentration online. After the 2008 economic crisis, many news organizations, particularly traditional broadcast and print, struggled to survive and became vulnerable to capture.

What *is* new is the systematic and deliberate nature of media capture, which we have defined in this volume as institutionalized complicity between governments and private media to bolster a specific, often kleptocratic power structure. Media

capture takes advantage of the weakened business position of traditional news media to consolidate its ownership into regime-friendly hands. The result is a new system of public manipulation—not the Soviet-style censorship and propaganda of "Uncle Joe"—that typically uses the language of tabloid journalism: screaming headlines, sordid scandals, and fake news. The goal is to confuse rational debate, smother dissenting voices, promote consensus around policy changes that favor the ruling regime, and reduce democratic checks on the accumulation of power and wealth by members of the elite.

"Their model is capitalism without democracy," proclaims an essay launching a new series of studies of media ownership by the information freedom organization Reporters Without Borders. "For journalism, this means the emergence of media empires run by oligarchs who have pledged allegiance to the political establishment and who simply appear to be obeying capitalist laws of supply and demand and responding to the need for technological development. In fact, they are the ones exercising strict control over news coverage" (Reporters Without Borders 2106, 13).

Measuring the spread and extent of capture is only beginning, but understanding both ownership and concentration patterns in global media markets yields many clues. Scholars already have established an increased likelihood of media capture in countries with high levels of media concentration and income inequality (Corneo 2006; Petrova 2008). The largest study on media concentration at the global level—led by Eli M. Noam at Columbia University—shows that media ownership concentration is a worldwide phenomenon and suggests that it may be an even more daunting problem for struggling democracies and developing countries. As seen in the accompanying table, "News Media Concentration in Emerging Markets," high-income countries show greater media diversity as measured by "news attention," which is one of several ways along with market share that Noam calculates concentration, and which reveals the extent to which people's attention to news is dominated by a limited number of providers. In China, Egypt, India, and South Africa, the data show the overwhelming control of content by a small number of news providers as compared to the high-income country average.

Yet the study covers only 30 mainly upper-middle- and high-income countries, and much work remains to be done to understand the situation in the dozens of lower-income developing countries where political instability, rising autocracy, and problems in financing high-quality, independent media are undoubtedly much greater.

Oligarchs in collusion with governments

How did we get to this place where the news media, institutions that were supposed to contribute to economic and democratic development, are instead helping

to ensconce autocrats and dictators? It wasn't supposed to be like this. For most of the past century, Western media experts have argued that media would contribute to the advancement of societies by increasing information available to decision makers and citizens alike. Competitive, private ownership of the media would be self-regulating, and provide a diversity of views and natural barrier against unchecked political power. Media that got their revenue from a variety of sources—diverse advertisers and subscription revenues—would be able to maintain both economic and political independence and provide a systemic check on corruption. This was the famous Fourth Estate.

News Media Concentration in Emerging Markets
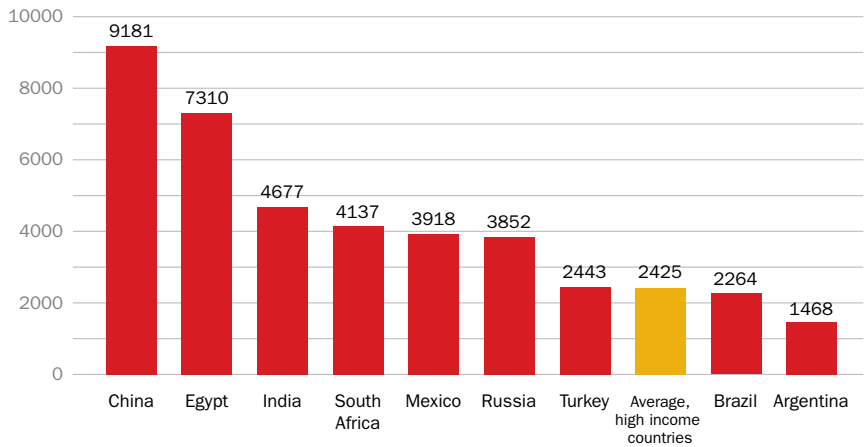
Source: (Noam 2016, 1317-18)

But this private ownership model has run into an existential crisis. The challenge comes not only from the oligarchs, but from changes in technology and the advertising industry. Even in fast growing middle-income countries, where advertising revenues have been rising more rapidly than in the rest of the world, and where traditional media continue to outstrip digital media, media incomes have been insufficient to give media the economic clout they need to resist the onslaught of the oligarchs.[3] Especially after the 2008 economic crisis, many traditional news organizations—both print and broadcasting—were driven toward mergers and acquisitions as a way of reducing costs and increasing economies of scale. At the same time, many countries, particularly in Central Europe, reported a marked decrease in foreign investment in the media. These often-inevitable business developments had side effects: they helped set up the restructuring of the industry that now facilitates media capture. The owners in this new media ecosystem do not even care whether they are making money on the media operations, argues Romanian political scientist Alina Mungiu-Pippidi (2014), because they know the benefits—economic and political—will be realized elsewhere.

The media oligarchs are part of a vast global network of multimillionaires and billionaires who have built their fortunes from natural resources such as oil and gas, the explosive growth of mobile phones, and, for some, through tax evasion and collusion with corrupt governments. While a small number use their wealth for philanthropic purposes, many others are hidden behind secretive offshore accounts and anonymous corporate screens, part of the estimated $32 trillion concealed in offshore accounts and which pays allegiance to no governing authority (Duffy and Sibley 2017).[4] In the Organized Crime and Corruption Reporting Project's study of the owners of 533 media houses in 11 countries of Central and Eastern Europe, fully 41 percent were hidden behind secretive offshore accounts and anonymous corporate screens, 27 percent were owned by politicians, and 10 percent were controlled by people with links to crime (reportingproject.net).

One of the lessons of the last decade is that preserving an independent, diverse, and quality news media is a challenge even for the most committed democratic societies. Media concentration and power is "increasingly understood as a threat to our way of life, to something fundamental about the way we humans have organized our societies," Noam writes. And the intensifying pace of regime change that is taking place in the world's media is generating calls for a more vigorous response. "The debate has become the information-age version of the industrial-age struggle over the control of the means of production. That earlier conflict led, in some countries to revolution, and in other countries to the socialization of key industries" (Noam 2016, 3).

What is to be done?

For media activists, civil society, and international donors who are trying to help countries improve their media environment, media capture is a baffling policy conundrum with no simple answers. Political leaders and governments trying to prevent media capture also face a difficult battle against a foe that is all too ready to use disinformation, propaganda, and conspiracy theories to mobilize the population against reform efforts. To make it worse, the policy solutions for captured media are themselves often trapped in the ideological divide between right and left, free markets and government regulation, sober public service media and conspiracy-laden talk shows and websites that reinforce suspicions against the establishment. As the essays in this volume show, countries are finding many different routes to media capture, and precious few away from it.

The effort to stem media capture is woefully inadequate. Despite widespread recognition of the problem, few countries in the developing world have active debates about the governance of the media environment—the laws, institutions, financing models, and societal norms and practices—that is giving rise to media capture. The World Bank, the main global institution that supports country reforms of the public

sector, rarely gives specific advice on media regulation and reform in its country programs. And despite ample evidence that media coverage can make or break overall development reform efforts, few countries request support and advice on how to create a high-quality, well-governed media system (González-Cauhapé-Cazaux and Kalathil 2015; Hoff and Stiglitz 2016). International donors spend less than 0.5 percent of overseas development assistance on media development efforts, most of this spent training journalists. A more vigorous, policy-oriented effort has been called for in numerous studies and reports, but progress has been slow (González-Cauhapé-Cazaux and Kalathil 2015; Nelson with Susman-Pena 2012).[5]

The contested role of government

Governments around the world are not only complicit in creating the problem of media capture, they are essential to preventing it. Mounting a successful effort to confront this growing menace will require a determined, multifaceted effort in which political leaders and governments are convinced to address it. National governments set both the formal legal and regulatory frameworks as well as helping to establish informal norms and behaviors that can discourage media capture at the country level. They also play an important role at the global level, engaging in policy discussions and decisions about Internet governance and global communications systems that cross borders.

In autocratic regimes, political leaders are sustained by captured media and unlikely to curtail it without strong, sustained public pressure. For many other governments—and this group represents the majority around the world—a hybrid system is taking hold. For those countries, the media are not yet fully captured but increasingly at risk. While the effort to build political will for reform will also meet many roadblocks in such countries, sympathetic allies in parliament, law enforcement, regulatory bodies, and judicial agencies may be drawn into the effort to stem the tide. A discussion of the problem of building political will and the role of civil society in this process is discussed in more detail below.

"Breaking the autocratic monopoly of power over the media in politics implies fragmentation and polarization that is difficult to contain," writes Jan Zielonka in *Media and Politics in New Democracies.* "It also implies instability caused by the fall of the old system and the effort to construct a new one. Changes to deep-seated attitudes and behaviour are necessary for new laws and institutions to function" (Zielonka 2015, 10-11).

Yet while the main problem is a political one, the technical details about what to do about media capture are also controversial. Unlike health, education, or other policy areas confronting developing countries, media reform and its broader role within overall governance is an area fraught with uncertainty, a lack of data, and, most importantly, a fundamental ambiguity about how best to regulate and govern the industry at a time of massive, disruptive change.

Is regulation the answer?

Media environments are made up of complex systems of interlocking institutions, policies, laws, regulations, and behaviors—not only at the country level, but increasingly at the global level. Regulation has generally been an important component of media governance, to both protect freedom of expression and to ensure a level playing field for all participants in the media ecosystem.

Particularly in this period of technological disruption and failing business models for commercial media, many experts wonder if regulation is even possible. While media regulations in developed societies worked reasonably well during the era of traditional media, the Internet and social media platforms have thrown a wrench into the works. Do developing societies need rules for the print and broadcast industries at a time when everything is moving to digital? How can a small developing country in, for example, Africa or Latin America have an impact on what is happening on the global Internet? Such questions, along with a well-founded concern about governments getting involved in regulating the media, have led many media experts to throw up their hands in exasperation.

But nurturing a country-level vision for the media sector is just as important as ever in this era of digital disruption. The decisions about the structure of the news ecosystem—the institutions to protect local media freedoms, privacy, and fair competition—are critical public policy issues that affect many other aspects of the overall governance environment and the definition of the public sphere. While questions about the role and behavior of Facebook, Google, and Apple may grab the headlines, most of the world, particularly the developing world, still is getting its news from plain old radio and television, and it is largely on the battleground of traditional media that the media capture battle is being fought in those parts of the world.[6]

And for governance of global technologies such as the Internet and mobile devices, defining country-level norms and standards for the media sector can help countries make valuable contributions to global forums where these issues are discussed.

Thus, most detailed country studies of media capture conclude that government action and carefully constructed regulation are important components of the needed response. Countries around the world have developed different regulatory approaches to media concentration and ownership, and some of these, when implemented by independent regulatory authorities, have been effective in slowing media capture or at least exposing it to public scrutiny.

In the case of Indonesia, several major reviews of the evolving media space, while recognizing the overwhelming incentives for political interference in media content, concluded that transparent government action is required for reform. Those studies called for measures to ensure fair competition and transparency in the operations of broadcast and electronic media, reforms in anti-monopoly regulation,

and restructuring of regulatory institutions to make them independent and accessible to the public (Nugroho et al. 2012, 125-131; Lim 2012; Dhyatmika 2014).

Reforming Romania's media space likewise will require government intervention. Among the measures recommended include reforming the National Audio-Visual Council to make it independent of political meddling, passing a law forbidding members of parliament from owning shares in media companies, and strengthening anti-trust laws to prevent domination of media markets (Oprea 2014; Mungiu-Pippidi 2014).

Mungiu-Pippidi suggests that the role of government could extend even further, from regulation to financing independent media. "Government could in turn decide to finance the media that presents pure information. I would be fully on board with this idea, as long as funding is universal, transparent and follows clear rules, not shady ones like we have in place today. This is the Scandinavian model; the media is financed by subscriptions (everybody is subscribed to a newspaper), commercials and state subsidies. Funding would not distinguish between public and private media as long as the objectives and performance specifications would be met" (Mungiu-Pippidi 2014).

Like the media itself, approaches to regulation are evolving quickly. Indeed, public attention to the issue of media capture, and ongoing public vigilance, may be more important than the specifics of the regulations themselves. For example, some media experts argue that the globalization of media and need for economies of scale at the country level may require a higher tolerance for media ownership concentration than in the past, and that countries should be prepared to adjust legal regimes to make it possible for more consolidated independent media firms to survive in a highly competitive environment (Noam 2016, 14).

The European Commission, for example, held public consultations last year entitled "Media Pluralism and Democracy" that highlighted several important principles for regulation that could prevent or stem the influence of capture (ec.europa.eu 2016). The Office of the Special Rapporteur for Freedom of Expression, part of the Inter-American Commission on Human Rights, has also led a discussion on this topic among Latin American countries, and media concentration emerged as one of the three top concerns of a 2016 multi-sector meeting on the media environment in Latin America (Podesta 2016). Key policy objectives emerging in recent discussions about how to discourage media capture are outlined below in "Policy Measures to Impede Media Capture."

Principle 12 in the OSR's "Declaration of Principles" document says the following: "Monopolies or oligopolies in the ownership and control of the communication media must be subject to anti-trust laws, as they conspire against democracy by limiting the plurality and diversity which ensure the full exercise of people's right to information. In no case should such laws apply exclusively to the media. The concession of radio and television broadcast frequencies should take into account

democratic criteria that provide equal opportunity of access for all individuals"
(Principle 12 from "Declaration of Principles on Freedom of Expression" 2011).

Policy Measures to Impede Media Capture

- **Diversity of media ownership**: Using anti-trust and fair competition rules, and perhaps public interest tests, to ensure media diversity. Sector-specific media concentration rules that are sensitive to the economic pressures faced by the media industry and the global nature of much of the competition are needed.

- **Transparency of ownership**: Requiring full disclosure of owners and their other economic and political interests, not only to discourage capture but to prevent media from becoming part of corruption and organized crime syndicates.

- **Independence of media regulatory authorities:** Governance arrangements that ensure that regulatory decisions are based on objective criteria rather than political pressures.

- **Rules on government advertising:** Ensuring that government advertising budgets are allocated in an open and competitive way independent of political influence.

- **Promotion of transparently funded public service media:** As part of a diverse media sector, setting a standard for public interest news as defined by independent journalists and editors. Governance should be independent and funding should be adequate to ensure high-quality journalism but not undermine sustainability of commercial media.

- **Defending a level playing field on the Internet and social media platforms:** Ensuring access to small news producers and information providers in a way that allows them to build audiences and reap advertising revenues. These principles should be defended by governments and civil society in global Internet governance forums.

- **Political support for independent media and freedom of expression:** High-level political advocacy for media freedom is an important component of the enabling conditions for a media sector that contributes to effective democratic governance.

Promoting public service media

Many experts argue that governments that promote public service media and engage in active attempts to transform state broadcasters into independent public service entities do a better overall job of regulating the media sector. The reason for this is that public service media and broadcasting require the establishment of

independent bodies to act as a buffer between government and news production, and which set up open and transparent processes to allocate broadcast spectra. Developing these government capacities may increase the likelihood of an overall better management of the entire media sector.[7]

Yet, few developing countries have been successful in converting state broadcasters into independently governed public service entities, and international donors have grown weary of the long, tedious and costly reform process. Complicating the picture is China's high-profile financing, particularly in Africa, of the Chinese model of government-driven communications, which instead of fostering independence, openly advocates government domination of the news and information space ("China, Africa media pledge to enhance cooperation" 2015).

Building knowledge, vision, and political will: the role of civil society

Despite the indisputable role of government, a growing body of evidence suggests that successful media reform—whether in developed, democratic societies or transitioning developing countries—is heavily dependent on the energies of civil society coalitions and non-governmental players. Given government and media industry complicity in media capture, the task of building political will for reform and knowledge about what needs to be done falls heavily on groups that can mobilize allies, broker compromise, and inform the public about needed media reforms. Broad social movements not only help push national politics in the direction of reform but expose shortcomings in media governance, help build local knowledge needed to win the fight for effective policies, and encourage media owners to act as socially responsible corporate citizens that contribute to the public good.

Media professionals from Indonesia, Nigeria, Ukraine, and several Latin American countries, interviewed over the last year for this article, say that even when governments recognize the problem of media capture, they often are unwilling to tackle the difficult politics of media reform. Civil society organizations, they say, help raise these issues and also draw attention to the threat of media capture in hybrid situations in the early stages of media capture. While journalists can write stories about the issue and try to raise public awareness about it, the media still rely on civil society organizations and associations to carry out the hard work of building political support for the cause of reform.

The World Bank's World Development Report 2017, "Governance and the Law," looks at the empirical evidence that helps explain how civil society organizations can push governments and tip the power balance in the direction of effective reforms. Overcoming vested interests or political gridlock requires not only changes in the incentives of actors to pursue reforms, but a shift in power, or a

shift in the preferences and beliefs of those with power, the report argues. Open, multistakeholder debates about laws and reforms often produce changes in both incentives and beliefs, and empower actors outside elite circles, which helps them to shape the policy arena. "Citizen agency can help translate favorable conditions into effective reforms that drive positive change," the report argues (World Bank 2017, 226).

Recent work on media reforms in Latin America adds to this evidence and suggests how and why coalitions and media movements arise, organize themselves, and pressure government. Civil society has often been slow to engage on the question of media policies, and the process of getting organizations to focus on the media sector often comes only after media abuses become widespread. Foreign donors and other outside agents can also play a role in stimulating such activism (World Bank 2017, 266-67). One study that compared four cases of Latin American reform found that an open, highly focused network that emphasized freedom of expression and other universal human rights was the characteristic that most predicted success in media reforms, especially when the opposition, usually allied around the private media companies and defending the status quo, was fragmented (Mauersberger 2016, 264).

Two key attributes have given Latin America an advantage in its quest for media reforms:

- The development of Pan-American institutions like the Special Rapporteur on Freedom of Expression, the American Convention on Human Rights, and other multi-country legal instruments and professional associations that help set overall norms and standards;

- The rise of effective civil society movements that have both helped design reforms and pushed governments to enact them.

In Argentina, for example, the 2009 passage of a well-structured broadcast law showed the power and influence of civil society organizations: a coalition of civil society groups was instrumental both in influencing the content of the law and in building political support for it. Similar laws in Bolivia, Ecuador, and Uruguay also were influenced by non-governmental coalitions. Between 2002 and 2014, 17 Latin American countries passed access to information laws, and several countries have improved protections for freedom of expression. All of these outcomes required a push from civil society.

The approval of an important media law in Uruguay in late 2014 is perhaps the most important recent example of civil society's transformative role. That law was the result of many years of coalition building among more than two dozen organizations that pushed a series of far-reaching reforms, ranging from freedom of expression and libel to community radio and media concentration. While each of these steps has met stiff resistance and ongoing court challenges, Freedom House

calls Uruguay's media environment "one of the freest in Latin America" (Freedom House 2015).[8]

Media movements in Latin America have helped push the region "from a historical pattern of elite-capture policies to more participatory policy-making," a new book on media movements maintains. That work also details examples of civil society impact on policy debates, formulation, and implementation, adding that these movements contribute to improving the institutional capacities of governments' media policy-making (Segura and Waisbord 2016, 172-74).

While the successes of these movements in the region will require continued vigilance and activism, the book concludes that Latin American activism has revealed "remarkable changes" in media policy and growing optimism that these gains can be built upon. "By bringing in crucial and deliberative politics, citizen activism has been a counterpoint to power hierarchies and spearheaded important innovations in contemporary media governance" (Segura and Waisbord 2016, 185).

Indeed, the Latin America experience is increasingly seen as instructive for other regions of the world where civil society has been less organized and effective. At a meeting on Southeast Asia media problems in 2016, participants said Latin America's experience should be more widely known in their region and adapted to the local circumstances.[9]

Demanding corporate social responsibility among media firms

Media system activism by civil society also plays a role in moderating the behavior of the media industry and helping to articulate a more constructive, socially responsible role for media owners. While activists have often been accused of having unrealistic attitudes about what the industry can do, for example, by demanding more than the business climate will support, constructive cooperation and advocacy by civil society has been critical to defining a workable vision for the media environment.

For example, one of the main arguments for government censorship is complaints that journalists are failing to perform in a fair and professional manner. By advocating freedom of expression and access to information, civil society organizations help head off such censorship, and in so doing provide support to the idea of an open and competitive media market place. This not only helps define a constructive role for government—which is to provide a level playing field for all players—but also creates space for private companies, which benefit by disseminating information and building audiences through subscriptions, advertising, and other revenue-producing activities. Associations of owners and publishers, which have been established in most countries, also can help create collective resistance to media capture by establishing higher standards of professionalism among the owners as well as more effective lobbying against government interference.

Media reform advocates have been pushing Facebook, Google, and other platforms to do their part to help deter media capture by recognizing the need for more equitable sharing of advertising revenues. With up to 85 percent of ad revenues going to either Google or Facebook, news content producers are arguing that their survival is at stake, and this could, in turn, hurt the growth of the two Internet giants, since local news content continues to be an important component of what draws audiences (Herrman 2016). Facebook announced in 2016 that it was exploring revenue-sharing models with producers of news, sports, human interest, and other content (Bloomberg News 2016), but many content producers, particularly in developing countries, continue to complain that these efforts are too little, too late.

Finally, civil society can put pressure on media companies to improve the quality of their journalism, by checking facts, training investigative journalists, and pointing out abuses of media ethics. Through such activities, civil society organizations help build broader media literacy in society. A more demanding public is ultimately the most effective barrier against media capture, since such media are successful only when people use and trust them. Facebook's recent decision to take steps to limit false information disseminated on its platform is an example of how big companies respond to such public pressure (Isaac 2016).

International actors and media capture

International organizations also are starting to recognize the capture phenomenon, and a growing host of global policy-coordination bodies are debating how global policy makers might respond. Because media capture is most commonly a result of domestic political competition, global players have found that their most effective approaches center not on direct intervention in the politics of countries, but rather on raising awareness, collecting data, and engaging media development actors to share their knowledge and strategies.

One of the most effective ways that international groups can support country-level activists is through convening multistakeholder processes where problems are discussed and solutions debated. World Bank experience in supporting governance reforms suggests that such approaches are more likely to yield results than training or other types of supply-driven capacity building activities. These processes usually involve finding a way to develop an agreed diagnosis of the problem, often using independent professional firms or consultants to carry out surveys or other studies. This is followed by consensus building around a joint diagnosis and way forward that includes not only government, but relevant civil society and private sector actors. To be effective, such processes must be open and transparent, creating opportunities to engage with the public and disseminate findings.[10]

An example of such an approach is a series of regional consultations on media reform facilitated by the Center for International Media Assistance, Germany's Deutsche Welle Akademie, and a large group of developing country media reform organizations. The consultations, which aim to articulate a set of priorities for

media reform, have been completed in Latin America, Southeast Asia, and Africa. These consultations are helping local actors identify areas for global, regional and country-level action, and will be used as a way to build stronger global awareness of the media reform agenda (Lublinski 2016, 1).

International organizations also are making important contributions to knowledge about media capture. Reporters Without Borders, the French media freedom organization known by its initials RSF, embarked in 2016 on a major new program focused on media ownership and media pluralism and is undertaking country studies to expose the strengths and weaknesses of country-level defenses against media capture. As of early 2017, RSF had completed analysis of eight countries—Cambodia, Colombia, Tunisia, Turkey, Ukraine, Philippines, Peru, and Mongolia—and is working on expanding the list in coming months.

A key component of that work is the development of "Indicators of Risk to Media Pluralism," which break the media capture problem down into 10 dimensions that can be measured on a scale from low to high. The indicators, below, look at the laws in place to deal with media pluralism issues, as well as the existing conditions; that is, how well those laws are applied and function in practice. It is hoped that by dissecting the problem and tracking it over time, local actors will push for effective strategies to combat it.

Indicators of Risk to Media Pluralism

1. Audience concentration

2. Ownership concentration

3. Regulatory safeguards against ownership concentration

4. Cross-media ownership concentration

5. Regulatory safeguards against cross-ownership concentration

6. Ownership transparency

7. Regulatory safeguards for ownership transparency

8. Political control over media outlets and distribution networks

9. Political control over media funding

10. Political control over news agencies

The work of the OCCRP described earlier in this volume is another example of how civil society organizations can work across borders to illuminate the growing percentage of the media that is owned by politicians, organized crime figures, and

people who hide their identities behind complex layers of corporate secrecy, using international banking havens.

Finally, the International Panel on Social Progress is making a major effort to draw scholarly and political attention to the need to reform the media sector, with attention to the issues that emerge from media capture. This group of academic experts recently released for comment a major solutions-based chapter on media and communications as part of their massive research report, "Rethinking Society for the 21st Century." The chapter outlines the daunting challenges in the media space, including control of media resources by the rich and powerful, and the deeply entrenched political issues that plague media and Internet governance. It highlights the problems created by media that are used to influence the public rather than to serve the public's interests or afford access and rights to the poor and other marginalized populations. Its action plan calls for far-reaching changes in the media environment, particularly in expanding the use of "multistakeholder, transparent and open bodies" to set international and national media policies. "A renewed and more inclusive debate on media reform must be launched," the report declares (International Panel on Social Progress 2016).

Official intergovernmental organizations and policy bodies are drawing on this growing knowledge base to try to improve donor action and policy coordination. The Development Assistance Committee of the Organization for Economic Cooperation and Development has in recent years added a media policy component to its discussions about how to improve overall governance in developing countries. Such policy dialogues are important because they help define priorities for funding among the 29 major donors who annually give about $132 billion in overseas development assistance. Including media as part of the governance agenda could lead to more funding for media policy reforms as part of donor-financed development plans.

Media capture: Not inevitable

Media capture is a complex problem, but it is not inevitable. As the essays in this volume have demonstrated, media capture is the result not just of technological and market forces, but of political choices being made by political and business leaders. Some of these choices are happening because of a lack of attention being paid to the problem. Others are made deliberately, in a non-democratic way, away from the scrutiny of the public, in a blatant attempt to establish stronger controls over society.

Finding a way to deter media capture is a growing priority across the world, especially for civil society organizations and the international media development community, but also for a few far-sighted governments. The effort so far has been miserably inadequate. Too many countries are finding themselves trapped between rising authoritarianism and a sycophantic media failing to play the critical role of providing oversight and accountability. Stronger efforts are needed at the country,

regional and global levels, and media capture should be recognized as a major strategic risk that can derail the political development of countries and undermine international security.

Countries need to include media policy as part of their ongoing debates about effective governance, and as a critical element of their overall vision for their societies. This would include a deeper understanding of the kinds of laws, norms, regulations, and practices that create a sustainable democratic media environment. They might examine how countries in other parts of the world, such as the recent cases in Latin America, have confronted this problem. They may need to build new independent institutions that can implement and carry out an effective media policy. And they need to engage at the global level to ensure that global Internet and mobile phone governance takes into account the needs of developing countries.

Civil society activism and oversight will be needed to bring better governance into this arena and help the national media systems to evolve over time, along with technology and new developments in the global media. Better governance should be coupled with a broader strategy to understand the business and competitive challenges that news media organizations are facing, particularly in developing countries. More complete data is needed to track the spread of media concentration and capture, particularly in developing countries. Innovation and new thinking is needed about how to finance independent media, and how to create economic and political incentives for corporate social responsibility among media owners and the broader media industry. Media literacy needs to be included in schools and made available to a much wider range of people. Everyone needs to understand how to recognize high-quality information, and how to produce and share it on social media.

International players should integrate media reforms into the overall development agenda. Organizations like the World Bank should expand policy work on the media sector, following the recent World Development Report with concrete action, the most important of which is comprehensive policy advice to countries struggling to improve media sector governance. The OECD and other international organizations should continue to build policy knowledge and coordination, fund media policy reform processes, and facilitate multistakeholder diagnostics and coalition-building.

Ultimately, establishing effective governance and the rule of law will require that news media companies operate within a legal framework that not only defends freedom of expression, but also establishes a level playing field to promote a diversity of views. Getting to this result will take enormous political will, civic activism, and international cooperation. It will require an unprecedented effort by the media world—from news and information media to entertainment, advertising, and the media platforms—to prevent the continued deterioration of news and information infrastructures across the world. And it will require stronger demands by citizens for high-quality news and information systems that serve the public interest.

While such a media ecosystem may not prevent a billionaire from buying a television station, it may help create a group of citizens who know when to turn to a different channel.

ENDNOTES

[1] The author would like to thank Kate Musgrave for her assistance in researching and gathering data for this article.

[2] Interview, Washington, DC, September 30, 2016.

[3] For five-year projections on overall industry growth rates and global distribution, see (McKinsey & Co. 2016).

[4] In Forbes' 2016 ranking of the world's billionaires, 18 of the 72 billionaires in the Media/Entertainment industry are from the Global South (Forbes 2016).

[5] For a review of the inadequacy of global efforts on media development, see (Nelson with Susman-Pena 2012).

[6] For a discussion about the role of broadcast regulation in the digital age, see (Mauersberger 2016, 26-27).

[7] For a more detailed discussion of the public sphere in media regulation, see (Mauersberger 2016, 16-26).

[8] For a quick overview of civil society's role see (Rothman 2014). For more recent developments in the legal battle over media reform, see (Franco 2016).

[9] For an account of the knowledge exchange with Latin America, see (Lublinski 2016).

[10] For a discussion of a tested methodology of change facilitation and links to other scholarly discussions on the topic, see (Gonzalez de Asis 2012).

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About this Book:

Today, the threats to independent journalism no longer come only from direct forms of state control. Where advocates of a vibrant public sphere once mobilized against the suppression and censorship of news, they now must also contend with the more complex challenge of media capture.

In this volume of essays edited by Anya Schiffrin, media capture is shown to be a growing phenomenon linked both to the resurgence of authoritarian governments as well as to the structural weaknesses presently afflicting media markets. In this environment, political figures and economic elites are colluding to undermine the independence of privately-owned media, and efforts to stop this collusion by activists, regulators, and the international community have proven to be ineffective.

The Center for International Media Assistance (CIMA) is proud to present this collection and hopes it will inspire further research and thoughtful responses to this growing threat to democracies around the world.

Essays by

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