

# MEDIA POLICY PROJECT

## Political Dependencies and Media Pluralism

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Media markets across the European Union tend towards concentration, which is concerning from the perspective of media freedom and pluralism, especially in countries where there is also political interference and collusive relations between media and politicians. The Media Pluralism Monitor (MPM) was conducted as a pilot-test by the Centre for Media Pluralism and Media Freedom at the European University Institute (EUI). It was designed as a comprehensive risk-oriented tool that measures a wide variety of indicators of the media market, legal framework and social-political functioning.

The MPM<sup>1</sup> examined a sample of nine EU countries, representing the diversity of the EU<sup>2</sup>. Although some risks were indicated in each country, their number and intensity varied widely. This paper shares findings on risks to media pluralism related to a combination of political and economic media dependencies in particular in the Central and Eastern European countries<sup>3</sup>.

The evidence gathered so far indicates that there is a need to tackle excessive political ownership and influence over media, and to enforce transparency at the European level, not just of ownership, but also in relation to advertising and other funding sources.

### Political Ownership of Media and Distribution Network, and Ownership Transparency

Ownership of media and distribution networks by individuals closely connected to political parties creates a risk of political pressure on the media system as a whole, and negatively impacts freedom and pluralism. Considering the generally high ownership concentration of media throughout the sample, this creates substantial risk to media's democratic function and should be taken seriously. Insufficient legal guarantees

against excessive political ownership were found in Bulgaria and Estonia. Looking at the socio-political indicators, only Hungary demonstrated a high risk from concentrated political ownership.

However, in the case of Bulgaria, the discrepancy between the high risk according to legal indicators, and the not-so-high risk according to socio-political ones, was likely due to the lack of available official information about the actual ownership of media and distribution networks. There are reasons to believe that political ownership in media and distribution networks exists, as there have even been public protests in the country due to perceived political ownership and the dominant market position of certain market players. The lack of transparent information could pose a serious risk to the free and pluralistic functioning of the media and democratic systems.

In the case of Estonia, the lack of legal guarantees does not appear to result into actual socio-political risks to excessive media politicisation (the general score for the political risk in Estonia was also low). Closer examination of this case could reveal the alternative guarantees that appear to be effective, and if so, these could be promoted as best practices.

The case of Hungary, however, demonstrates a trend that has been observed during and after EU accession in a number of countries - even if certain rules are included in the legislative framework, they are not a sufficient guarantee for the functioning of democratic standards, or in this case media plurality. The overall risk of political influence over concentrated media in Hungary is high and further attention and monitoring are necessary.

## Interplay between Economic and Political Pressure, Media Funding and Advertising

The risk of political pressure is not limited to media ownership. The potential risk of political interference in funding and advertising is clearly evident in small and resource-poor countries, although it is often overlooked in bigger and richer markets.

Despite EU and Council of Europe guidance on the functioning and remit of public service media (PSM), such as the EC Communication on the application of State Aid to Public Service Broadcasting<sup>4</sup>, the MPM still identified risks to media pluralism related to PSM. For example, the procedures for appointing the board of managers of PSM indicated a high risk in Hungary, and the mechanisms for financing PSM were found to be problematic in both Estonia and Hungary.

Political control over advertising was also found to pose risks to media pluralism in two areas: political or government influence over advertising companies, and state administered advertising budgets. For example:

- In Hungary, recent changes to taxation policies regarding media advertising appear to influence certain independent media outlets disproportionately and threaten their economic viability by decreasing their advertising revenues. This raises additional concerns that governments can be creative in introducing questionable policies, which are currently beyond the scope of monitored practices.
- In Bulgaria, the government is the largest advertiser and the viability of many media outlets depends on those funds, i.e. on the political decision of their distribution. The procedures and outcome of the advertising budget distribution lack transparency and accountability. Some of these advertising budgets even come from various EU funds and programmes.

## Recommendations

The examined cases demonstrate that there is a significant contribution for the European Union to make in the area of media pluralism. The two major areas in which there could be immediate impact are: by promoting transparency of ownership, funding and advertising; and by exercising regular monitoring of the media

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**-DR ALINA DOBREVA**

freedom and pluralism standards and guarantees. Certain basic standards regarding transparency of media ownership and media funding should be introduced into EU legislation as key safeguards against political interference in the media system.

This is especially valid for the advertising resources provided by the EU itself under different funds and programmes.

Monitoring of media systems should account for the diversity of media systems across the EU, but should also reflect the Union's common democratic standards and provide early warning for risks in relation to both PSB and private media. The complexity of the media systems and their constant development, such as the current trend of convergence, should be reflected in a devoted comprehensive instrument for media monitoring, which can provide data for informed policy decisions. <sup>LSE</sup>

<sup>1</sup> More information on the project can be found here: <http://monitor.cmpf.eui.eu>

<sup>2</sup> Belgium, Bulgaria, Denmark, Estonia, France, Greece, Hungary, Italy & UK

<sup>3</sup> All results should be read as indicative and not conclusive as the MPM instrument is in its pilot-testing stage and needs further fine-tuning.

<sup>4</sup> [http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52009XC1027\(01\)](http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52009XC1027(01))