Serving Two Masters: The Roles of the Market and European Politics in the Governance of Media Transformations

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1. Introduction

It is true that the question of the media is a question of power. The media landscape in Europe presents a complex, unruly picture, which reveals the ways in which volatile changes in media structures and policies have taken place in the past 20 years. The changes are long-lasting, and as these studies show, the media landscapes are 'settled' in certain formats of ownership, production, and operation in national and international markets, and it is possible to examine them not only as single 'moments' in time, but as contextualised in longer histories and within predictable environments.

Despite the enormous changes brought about by the European Union (EU) polity, certain patterns in the development, operation, and position of the media persist. The world of politics and the market continue their polarising effects on the media in multifarious ways. Emerging patterns in the beginning of the era of media 'liberalisation' are now the status quo of the media industries, such as cross-media ownership, media market concentration, and the competitive relation between public service media and private media. Other patterns are emerging with the impact of technology and through the exercise of international and European 'authority', such as attempts to regulate the internet and the challenges and dilemmas such initiatives bring.

The studies in this research-based anthology reveal interesting dynamics in European media policies. They reveal the concurrent convergences and divergences in the governance models of the media, the differences in the political cultures, and cultures of media freedom of the countries under study, as well as the ways in which the EU policies and by extension the phenomena of globalisation have affected the structural organisation of the media, the development of policies, and have shaped media landscapes.

In the following pages, some of the commonalities found in diverse and divergent media systems as presented in this collective study will be reviewed and explored, while the analysis will be expanded with some reflections that aim to help us extrapolate these findings to connect to world society and the media. The focus will be on the following areas: the role of markets and politics in the structural transformation of the media, as this emerges from the analyses of media landscapes; the role of the EU legislative framework and the types of governance of media in European countries; and the place of the citizen in these gigantic structures.

2. Serving two masters: Politics and the market in media governance

The current state of the media in Europe points to a series of significant characteristics that signal industrial, societal, and legal changes, and continuities brought about by the complex supranational and international system within which media systems operate. For example, it is significant that two decades of EU law have left a strong footprint on national policy frameworks across the EU members. At the same time, an important aspect of this relation is that neither the entry to the EU nor the exit from state-controlled media systems has brought the expected degrees of truly free media, especially in Eastern European member states, and that the degrees of freedom of European media in general have not been significantly affected. The single most important achievement of the EU is that significant changes can be observed in the construction and 'opening' up of the markets for media companies, their products and services. In turn, this opening has not resulted in ultimately solving the problem of media freedom, despite the changes in the policy structures of the media through the inclusion of civil society, in some cases. Instead, in Europe, the question of media freedom, and indeed the broader and more fundamental question of freedom of expression, is being redefined anew, within the context of anti-terrorism laws and an environment of security. Further, states continue to 'behave' according to their 'own' political traditions that are shaped by political cultures, and more importantly by their geopolitical positions within the global economy, despite their EU membership. In addition, it can be observed that governance in the EU member states is 'unruly' rather than neatly categorisable into pluralistic, autocratic, or liberal democratic scenarios, mainly because of the 'levelling' that EU laws have produced in media policy terms, and certainly due to the circulation of ideas and people that globalisation facilitates. This, alone, is enough food for thought for the careful media scholar.

It is certainly the case that the European broadcast media have been under stricter control and regulatory intervention than the print press, both historically and in the new digital context, across all countries in the EU. This interesting characteristic stems from the era of broadcast monopolies and the ways in which the print media and electronic media developed. The press has always been seen as the symbol of the freedom of expression, and hence, democracy. Existing regulations provide some sense of cohesion, in that the broadcast media are subject to 'steering' by governments in terms of competition, obligations towards quotas, and matters of accessibility occasionally, but at the same time they demonstrate strong signs of divergence. Policies are shaped in accordance with the historical development of the media sector in each country, for a start. The different political and social histories have impacted upon not only the structural organisation of the media and national institutions, but also their direction of development and the sum of media landscape of every country.

On the contrary, the press still occupies a prestigious regulatory position in Europe, as its independence is provided by legislative frameworks. The print press occupies a strong symbolic position in the media landscapes of the nations studied, as well as of the EU at large. In most cases, the freedom of the press is guaranteed through constitutional law with the exception of the UK, for example. Even so, the entry of a legislative framework of human rights in this country has brought about a great deal of legislative 'sharpening' in the areas related to the freedoms the press enjoys. In this way domestic laws in the UK have benefited from a sharper commitment to press freedom.

However, these observations should not lead to the impression that the degree of 'interference' alone as provided by the law leads to or guarantees free media, or even provides an adequate standard of press freedom. The pressures are immense under which the right to freedom of expression, and by extension freedom of the press, are expected to flourish. Market pressures, political dynamics, and contexts dependent on historical 'paths' both in the ways in which things are done and with regard to the issues that the law is expected to take care of, have their impact on the media's functions. All countries studied report political influence and connections between the media and the world of politics to a lesser or greater extent. Alone, this interconnection may not sound too problematic, if for example, politics is defined as the representation of generalisable interests. However, political elites and the state are historically seen as negative forces in controlling and suffocating media freedom. Political elites are also understood as the representation of dominant fractions of interests that cannot easily claim the term 'generalisable'. The historical past of a great deal of countries around the world, whether in the 'communist' or 'free world', does not allow much room for any doubts.

At the same time, politics and private market interests also intersect. As these studies have shown, one thing that all countries seem to have in common is the marketisation and commercialisation of media products, leading to a clash of interests and to power struggles. On the one hand, the

state and political elites may or may not have a direct or overbearing control over the media. On the other hand, the market almost always dictates the ways in which the media operate, are structured, and are governed. Variations in the degree of politics in media governance are expressed through the formats and combination of actors involved in media policy making and everyday governance. The formats of policy making also vary and are related to the political traditions of the countries under study, as well as their newly obtained positions in the status quo of the European family. In some cases, the civil society 'angle' of policy actors features more prominently than others, for example, in the case of the UK or where pluralism is sought through the diffusion of interests through media and local, that is, non-centralised, governmental actors, and the operation of experts panels and so forth, as in the case of Germany. The connection between politics and the media is a strong one across the countries studied, whether their governance structures allow for a broader representation of interests or whether they tend to be closer to a centralised administration paradigm.

Eastern European countries are going through a particularly volatile wave of change, despite their successful accession to the EU and despite the liberalisation of their markets. For both transformations, the hopes were that they would bring about media independence and freedom. Ultimately, the assumption is that media freedom serves the citizenry in making informed decisions and in keeping the powers in check. This is where the value of independence lies, for which media freedom is a prerequisite. Indeed, the media landscape in Eastern European countries is strongly influenced by the complex ways in which markets and political elites interfere and ultimately define the media output, through complex and sustained mechanisms in the policy process and processes in the market.

Overall, control over the media is exercised through authority and institutional spaces allowing for influence and pressure in the carrying out of policy making work, whereby members of media boards are appointed by the government, or whereby the government has direct access to overseeing institutions of the media, without adequate or well-structured checking actors that can counterbalance political pressures. Direct state control or indirect control through the threat of withholding funding or regulating specific functions of the media is exercised on public service media, while private media may be used for political reasons when they are close to political parties, or are owned to serve political purposes rather than being profitable enterprises, especially in small markets. Indirect control is a major feature of control of public service media, which are under the pressure of producing content that is on the one hand judged by market participants (in terms of how popular, necessary and well received the content is), and on the other hand is subject to continuous scrutiny, especially through the ex-ante provisions, whereby public service media have to pass the test of public value in what they produce. Politically and financially

the pressures surmount, while the public service media are not allowed to compete directly against private media enterprises, as that would constitute unfair competition according to EU law. This is the case in all countries studied here.

All authors point to the lack of transparency in the relations between political and media spheres, and the pressures by the marketplace across all media. This is the case also for countries that are hailed for their democratic traditions, from Scandinavia to the UK, or Germany, for example. The reality of media freedom and the role of the media within society are more complex and unruly than any schema would allow us to present accurately and without oversimplification. Despite the fact that countries with large markets, such as the UK, Spain, Germany, and Italy, could support a robust public service media, involve meaningfully the civil society, and allow for a more transparent and sophisticated system of governance of their media landscapes, their media are subject to forces of the market and politics in ways that do not benefit citizens as claimed or could be reasonably expected.

At the same time, it is important to view the media in their international, industrial dimensions as we see them as institutions that are being damaged by double pressures. Large media markets and economies, such as Spain, the UK, and Germany, have the possibility not only to develop their own markets, open up their policy processes, and promote their positions through EU channels, but they also have the political economic and cultural basis for sustaining and expanding media empires, supported by historical links to geopolitical spheres of influence, such as to former colonies or linguistic spaces. For example, the Spanish media are not only those consumed by residents in Spain or even by Spanish diasporas, but also by multinational conglomerates expanding their businesses to Central and South America. The German media expand their ownership to Eastern European countries, and the UK media productions are exported heavily around the globe, with London maintaining its leading media hub position in Europe and remaining the pole of attraction for international correspondents.

The problem of ownership is exacerbated by the problems in the spheres of politics and the market. As all studies have shown, ownership concentration is a phenomenon across the board for European countries. The concentration of media control in the hands of a few, and their relation to politics and the pursuit of private interests, is a highly problematic picture. The fact that policy seems to be designed in a 'piecemeal' fashion for the majority of the countries investigated does not provide any reason to believe that democratisation of the media is within reach. In the following section the state of policies in the European countries explored in this book is reviewed as a terrain that normalises change. The question is, of course, change in what direction?

3. Policy regimes and national media landscapes: The European Union as a catalyst for change

Certainly, external factors are very important in the design of policy for the media, particularly in a highly connected world. The courses of globalisation and the financialisation of late capitalism depend on the functioning of media systems fluidly across the globe. Europe, the wealthiest region of the world, holds a central position in this process, whereby borders between countries are diminished but for the benefit of the media industries, which in their output are heavily localised. The regionalisation of Europe as a form of market integration has meant that sooner or later the media industry would be part of the legislative portfolio of the EU, but not in social or cultural terms, rather in terms of its economic role, as an economic actor in the European project.

All studies in this book have attested to the important role of EU legislation in the 'harmonisation' of laws. This means that existing laws in various member states had to be revised to adjust to the new legal framework of the EU and in particular with the provisions for the free circulation of audiovisual content. As is typically the case with EU harmonisation of law, the least common denominator is pursued and a so-called 'negative' format of integration is fulfilled, meaning that the form and nature of integration is based on the minimum common direction member states can take, and not on decisively designing a direction to which member states would 'commit'. This does not mean that EU frameworks are simply imposed on countries, rather it means that staying happy with the second best is one of the trade-offs national governments must often agree to, so that the nation state can deal with global issues 'in company of others'. Certainly, not all states were created equal: some have more negotiating power than others. In EU politics, this is an interesting dynamic to explore. Scholars have written extensively about cultural and administrative traditions in the shaping of the EU and its direction on media policy, such as the case of France's interest in protecting its film industry that was transferred into an EU-wide policy on content quota in audiovisual media.

However, it is important to also acknowledge the role played by the EU as a 'pre-policy' actor, as a pre-policy regulator: laws are not only 'harmonised' in their existing forms, but they also encourage a series of legislative re-definitions through which legal and political predictability and low transaction costs are involved in the trans-border operation of media industries in general in European trade. Moreover, national laws are made under the filtering effect of EU directives that must be applied, albeit in national 'terms'. Any future law is already shaped in its parameters by the fact that it cannot go against the policy principles set at the EU level by the national governments. This does not mean that the media industries and the national regulator are simply objects in the process of policy. Nation

states have a great deal of room for action when it comes to policy making, and particularly in opening up the policy system to a wider range of interests. However, the range of policy choices is smaller, and must be shaped to fit in with the parameters of these principles. For example, if a nation state is interested in supporting its public service media system, it will have to justify its choices to the EU institutions, should the private sector complain about unfair subsidies and competition.

Despite the legal provisions that emphasise the societal and political roles of the media, the value and importance of public service media or even the need for responsible, democratic, and free media, the one single aspect that EU policy has cemented in the European territory is that media landscapes are heavily commercialised, privatised, and concentrated because the weight of attention and policy design has fallen on the making of markets.

It is true that although the EU has affected member states' policies, and despite the fact that the media as industries and as technologies operate worldwide, media policy still remains a very national affair. This stronghold of the nation state demonstrates that although the role of the state may be changing, the claims of its 'withering away' or its loss of sovereignty are not accurate. The nation state determines the 'colour' and detailed applications of policies, and these vary significantly from country to country. Nevertheless, in many ways the policy directions followed converge on the following characteristics:

- Policy is fragmented and dispersed rather than coherent and comprehensive. This fragmentation is evident in most countries in very acute ways, as separate pieces of legislation developed at different points in time to provide legislative frameworks for the media industries. It is rare to see a coherent and comprehensive legislative framework with regard to the media in any country. There are several reasons for this: the ways in which legislation is designed and drafted, the artificial separation of jurisdictions and definitional complications, as well as a lack of understanding, or a lack of expertise, or scarcity of resources, or all of the above.
- The 'new' media and the internet prove to be challenging domains to interfere with, yet a general approach seems to be an attempt to regulate content on the basis of preventing hate speech and violence. The internet has been subsumed in the current age by discourses around terrorism and security, and has been therefore subject to laws framed by these concepts.
- Subsequently the role of journalists as central actors in free press has been confined in many ways, and various attempts are being made to curb whatever unchecked space there is for investigative journalism, by imposing new restrictions on journalists.

Of the countries studied, given that almost all media maintain links to political interests, the combination of restrictions on journalists, ownership

concentration, and lack of transparency in many points of intersection between private and political interests with the media means that the climate of media production and consumption is less than ideal. In the Central and East European countries, these limitations are particularly strong, as it seems that none of the former Soviet bloc countries have succeeded in getting rid of politics that have a stronghold over their media. Indirect but persisting political affinities, the limited understanding of freedom as lack of political interference, and the pressures by the market also shape the conditions under which policy for the media is made.

It is true that there are many differences among national media systems and the politics and markets that sustain them. These differences do not cancel out the common trends described above, but they present an interesting dynamic that attests to the possibilities and difficulties in setting the tone of policy and market practices that are effectively 'exported' to other countries. Small countries with small and limited markets have a greater difficulty in maintaining public service media that fulfil their roles in providing products that are universal and of high quality, while at the same time, they find it non-profitable and costly to reach remote communities against the backdrop of a private sector that has no such responsibility. Moreover, public service media carry the burden to prove their worth not only through their products, but also through costly procedures of testing their public value, while not breaching competition law.

Large and strong countries have more resources at their disposal and reach larger markets. Strong media economies, however, also present different challenges. Although multiple actors may be involved in policy making and media governance, such as in the cases of the UK and Germany, they are hosts of major private media companies with considerable influence in the politics of the country. Their policy choices often constitute a standard against which smaller countries will be measured, but whose context is quite different. It is very hard to compare the public media systems of the UK and Finland or Germany's role in the world market, and in particular in their role as a 'taster' for imports with Bulgaria's political struggles and attempts for a comprehensive regulatory provision for its media. Moreover, the political and economic strength of a country to support its media and their technological development through resources and know-how is paramount for the range of choices it can make confidently and independently. A telling example is that, in 2009, Finland became the first country in the world with a universal service obligation for broadband internet: every household is entitled to access to the internet by law at an affordable price.

Hence, the internal, nation-based discrepancies in Europe show that not only the media can be the 'victims' of these intersections, but also that the democratic systems themselves find themselves in such a position. The construction of 'mutual' influences over each other is determined by the coexistence of political and market pressures that have not yet been alleviated, either through increased EU involvement in the development of policy direction, or through the specific, neo-liberal, course of policy itself. Evidently, the liberalisation of the markets has not guaranteed the liberation of the media, nor has it led to solving the issues of influence and survival.

More importantly, perhaps, the self-organising principle of the free market has left the citizen suspended between media systems that on the one hand claim enhanced freedom and independence while occupying a large part of social activity in terms of time and other resources. On the other hand, the citizen is called to relate to the media within the context of a power struggle field of media markets and politics. Markets impose measures on media technologies and their use, while in turn technologies demand highly specialised regulatory understandings. Citizens are by and large excluded from expertise that is involved in policy making, despite the fact that the field of policy has expanded both on national levels and internationally. Indeed, the fact that media markets are characterised by oligopolies, and are also used as 'cash cows' for political purposes by private interests, does not serve the aim of providing a public good very well.

Large countries demonstrate a more dynamic role in media provisions for public systems, which, combined with historical contexts that reinforce the values of citizenship for example, aim to counterbalance the disturbances caused by the free market. Citizen-centred media are thought to be the media operating in the so-called 'pluralistic' systems whose access points are open to citizen participation. The more 'pluralistic' the media governance is, the more entry points there are for citizens' intervention. However, this alone is not enough, if citizens do not have the literacy and the skills to understand the ways in which the media operate or the ways in which policy is formulated. Moreover, if there is no culture of support for citizens' involvement, then it is difficult for a sustained participation of citizens in media policy. Overall, policies have failed to deal with the following most significant issues in terms of democratisation of media structures:

- lack of transparency in ownership structures;
- media concentration and increasingly privatised markets;
- lack of transparency and consultation in technical dimensions in important developments such as the process of digitalisation across Europe;
- inconsistent regulatory treatment of new communication technologies in relation to established media and media policy fragmentation;
- contextualisation of media policies that are increasingly determined by the processes of security and privatisation. This significantly restricts the range of options for media policy which aims to be citizen-centred.

As the role and significance of national politics as forms of democratic deliberation and citizen praxis are progressively influenced by market forces and logic, policy making and decisions for policy inaction are justified on the

basis of market logic. The outcome of this uniform approach to media and media policy in Europe has been that market malaise, such as the concentration of ownership and business-oriented management, has been tolerated by political elites. Globalisation and ownership concentration have also meant that the required plurality in content, sources, viewpoints, and approaches has not been matched by the plurality of media outputs. This has led to well-documented phenomena such as the homogenisation of content, but also precarious media work conditions, and an increasing compromise of quality standards that have given way to what many regard as 'compromised media output'. As these studies have shown, the reduction in the number of deliberative as well as legislative options available to the public is not the optimum environment for democracy.