Chapter 7

Soaring media ownership concentration

Comparing the effects of digitalisation on media pluralism and diversity

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Abstract
This chapter addresses the evolution of media and communication concentration, its causes, and its consequences. The political relevance of this perennial problem has amplified over the past decade, but it is still largely ignored by politics. The scholarly social science discourse has determined time and again how media ownership concentration controls editorial boards and newsrooms, curtails content diversity, marginalises less popular and consequently expensive content, and commodifies cultural industries altogether. Despite this, the concentration of media ownership remains one of the least-regulated media policy issues of the last three decades. Metrics undeniably demonstrate continuous growth of ownership concentration at the global, national, and local level. Digitalisation has not counterbalanced power relations in society at large; rather, digital communication platforms reflect and replicate dominant media structures. Lately, however, policy initiatives have emerged to address the negative effects of ownership concentration in the media sector.

Keywords: media ownership concentration, oligopolistic media structures, media pluralism, commercial imperative, public interest

Introduction

In 2022, the European Commission *could* celebrate the thirtieth anniversary of its "Green Paper on Pluralism and Media Concentration in the Internal Market" (European Commission, 1992). It is common knowledge that Internal Market regulations take time in Brussels, and controversial issues take even more time, but 30+ years is unusual, if not spectacular. But there is not really a *reason* to celebrate. Media ownership concentration remains a largely unregulated, although pressing, issue. In the literature, scholars seem to be losing hope that European policy will ever be able to harmonise adequate ownership rules and go beyond only discussing the problem (Iosifidis, 2007; Papathanassopoulos, 2018).

Trappel, J., & Meier, W. A. (2022).Soaring media ownership concentration: Comparing the effects of digitalisation on media pluralism and diversity. In J. Trappel, & T. Tomaz (Eds.), *Success and failure in news media performance: Comparative analysis in the Media for Democracy Monitor 2021* (pp. 147–164). Nordicom, University of Gothenburg. https://doi.org/10.48335/9789188855589-7

The latest wake-up call originates from the US. Over the last two decades, ownership concentration in the field of media and communication accelerated at an unprecedented speed, as digital platform companies conquered global communication networks, first and foremost the Internet. The "big five" – labelled GAFAM (Google, Apple, Facebook, Amazon, and Microsoft) – all originate from the US. This ownership concentration in the digital sphere did not replace the old structures of "big media" (a term borrowed from McChesney, 1999), but rather constitutes a parallel power structure.

Scholars have frequently, and meticulously, addressed the troubled relationship between media ownership concentration and democracy (Baker, 2007; McChesney, 2008; Meier & Trappel, 1998, to name just a few). Subsequently, the Media for Democracy Monitor (MDM) research project (Trappel et al., 2011; Trappel & Tomaz, 2021b, 2021c) dedicates two analytic indicators to media concentration (at the national and the regional or local level), thus granting prominence to this problem.

MDM Indicators and related research questions addressed in this chapter:

(E1) Media ownership concentration national level
What is the degree of ownership concentration at the national level? (Trappel & Tomaz, 2021a: 32)

(E2) Media ownership concentration regional (local) level
What is the degree of ownership concentration at the regional (local) level? (Trappel & Tomaz, 2021a: 33)

In this chapter, we discuss the continuities and discontinuities of media ownership concentration against the background of dominant digital platforms and in the light of the contemporary scientific debate, the findings of the 2021 MDM, as well as other relevant sources. We are interested in the evolution of ownership concentration in the decade of communication digitalisation (2010–2020), its causes, and its consequences. In the second part of the chapter, we turn to possible reactive media and communication policy measures and regulatory options available to policy-makers.

Media concentration in 2021: Little has changed in ten years

The MDM press release of 15 April 2021 on the status and impact of current legacy media ownership concentration reports troubling conclusions regarding the future of democracy in the 18 participating countries:

> The high level of media concentration, both at the national and the regional and local level, is critically challenging news diversity. At the national level, not a single country reports concentration levels below 0.40 (concentration ratio), and in about one-third of the countries, competition appears weak, with very few media conglomerates controlling the news media markets. Despite earlier hopes and the vested optimism by some media companies, digitalisation has not delivered much to balancing media ownership concentration at the regional and local level. (EMRG, 2021)

This conclusion does not come as a surprise, as media concentration findings were similar in the 2011 MDM. At that time, commercial logic and pressures were identified as main problems for contemporary news media and a threat to the news media's democratic functions (Trappel et al., 2011). In many countries, globalisation of the media business together with deregulated media policies exacerbated this development. New commercially oriented providers were successfully challenging national legacy media companies. The constant battle for reach and advertising revenues stimulated cheap journalism at the expense of quality journalism. As a result, fact-based news journalism was superseded by attention-oriented journalism.

In addition, in 2011, there were signs that the balance of power within media organisations was shifting, with business and market divisions gaining influence on strategic decision-making processes. Media mergers and various modes of cooperation between media companies reduced news diversity, and media power accumulated in the hands of a few business groups, especially at the regional and local level. Structural changes in media markets were driven by economic imperatives, and media policy-makers were either indifferent or unsuccessful in their attempts to reduce undesired consequences for democracy. In short, the 2011 MDM results can be summarised as follows:

- strong commercial pressure on legacy media from within and from outside
- high levels of media ownership concentration as a structural feature in national media landscape
- media policy willingly and unwillingly endorsed high ownership concentration levels of national legacy media

Ten years later, in 2021, 18 countries participated in the MDM project, nine of which were also part of the 2011 sample, allowing for longitudinal comparison (Trappel & Tomaz, 2021b). The other half of the sample participated for the first time in 2021(Trappel & Tomaz, 2021c), and hence no comparison over time is possible.

Before we discuss the MDM findings in detail, we account for the scholarly debate on media ownership concentration in contemporary social sciences.

Media ownership concentration in contemporary social sciences

Parallel to the above-mentioned policy proceedings at the European Union level, the issue of media ownership concentration turns out to be a lasting theme in social science literature as well. Nonetheless, one would expect variations in the scientific debate, caused by media digitalisation on the one hand, and recurrent crises affecting the media (from the financial crises in 2008, and again in 2018, to the 2020–2021 Covid-19 pandemic), on the other.

Concentrated ownership characterises the media industries in many countries (Doyle, 2015), and the history of ownership concentration is long and contentious. According to Noam (2016), concentrated media ownership is one of those fundamental issues of power and wealth distribution that every generation must resolve with its own means. Van den Bulck and colleagues (2016: 100) conclude the following:

> In recent decades, the media sector […] has witnessed recurring waves of cross-media concentration, and the consolidation of corporate power. […] Media mergers and acquisitions always ignite critical discussions by opinion makers and academics, creating challenges for media-policy makers, regulators and competition authorities.

Private owners are primarily economic actors, pursuing economic profit, which in turn governs day-to-day editorial work and marginalises less popular and consequently expensive content (Korbiel & Sarikakis, 2017). Underproduction of content relevant to democracy can lead to market failure (Sjøvaag & Ohlsson, 2019). According to Doyle (2015), economies of scale is a prevalent characteristic of media industries, as are economies of scope. Furthermore, "enlarged, diversified and vertically integrated groups appear well suited to exploit technological [innovation]" in media and communications (Doyle, 2015: 299). Thus, a multiplatform distribution strategy that uses various formats and platforms to share content allows further economies of scale and scope to be reaped (Doyle, 2015).

According to Doyle, highly concentrated firms that can take advantage of wider product and geographic markets to spread out production costs stand to benefit from natural economies of scale. Combined with high fixed costs and low marginal costs, these economic characteristics naturally gravitate in the direction of oligopoly and monopoly in the media industry (Doyle, 2015). Market forces are unlikely to cope with this harmful dynamic.

Media ownership concentration "has been both a market reality and a public concern" (Iosifidis, 2014: 461). Therefore, as digitalisation enables a global media market, questions about the consequences of media concentration for pluralism and diversity are being raised (Iosifidis, 2014). There are few industries whose ownership and control are more important than those of media, given their central role in social, cultural, economic, and political life (Noam, 2016).

In the literature (among others, Meier, 2007), media ownership concentration threatens national democracy for the following reasons:

- Media concentration is likely to diminish voices and to eliminate journalistic and opinion diversity.
- Fewer corporate and public media limit competition in the field of investigative journalism.
- Corporate control commands editors to follow the media owner's agenda, rather than the public interest.
- Strong (conglomerate) media companies become powerful political actors beyond democratic control.
- If economically or politically beneficial, concentrated media might decide to provide one-sided political support, thereby influencing or even distorting election results.
- "Concentrated media ownership creates the possibility of an individual decision maker exercising enormous, unequal and hence undemocratic, largely unchecked, potentially irresponsive power" (Baker, 2007:16).
- Strong media ownership power increases the risk of corrupting politics for mutual benefit.
- Strong (conglomerate) media companies manage to influence or even determine their own regulatory framework by influencing political decision-making through editorial bias in their own corporate interest.
- Editorial and economic power of strong (conglomerate) media might convert into political power (e.g., Silvio Berlusconi in Italy, Andrej Babiš in Czechia).
- In case of conglomerate ownership, topics and issues affecting the strategic interests of the owners are excluded from journalistic observation and scrutiny.

There are a few arguments in favour of media concentration as well:

- Strong (conglomerate) media can raise and make available sufficient funds for effective investigative journalism about political powerholders.
- Strong (conglomerate) media can withstand economic and political pressure and shield their newsrooms from undue interventions from outside.

Given this list of potentially harmful effects, media ownership concentration is considered to be antidemocratic: "It restricts [political and] cultural diversity [and] it undermines the ability of citizens to acquire and exchange the information and ideas necessary to take informed decisions about public life" (Freedman, 2014: 170). Moreover, "it further commodifies the cultural industries themselves, transforming them from vehicles of symbolic interaction to engines of capital accumulation that foster the exploitation of creative labour" (Freedman, 2014: 170). Media pluralism is, in contrast, one of the pillars of a healthy media environment and contributes to a well-functioning democratic system.

The new millennium has modified the rules of the "media monopoly" game considerably. On the one hand, the digitalisation of the entire media and communication environment – from news production along the value chain to distribution and consumption of news – has not only transformed the incumbent media industry, but also enabled digital platforms to emerge on a global scale. On the other hand, severe and frequent crises have disrupted the news industry (Trappel et al., 2015). From bursting dot-com bubbles in 2001, to the financial market crises in 2008 and 2018, to the Covid-19 pandemic in 2020–2021. Sjøvaag and Ohlsson (2019) point out that most of the critical media concentration research occurred during the profitable years of media business; thus, a revision under these new and precarious conditions of the media and communication industry is required.

Digital platform concentration and democracy

Initially, the Internet provided high hopes for media pluralism, with the potential to create new players in the media and communication markets that would challenge powerful legacy media and create media freedom and diversity of opinion around the world, despite efforts by governments and global tech platforms to control the Internet. However, the Internet has proven to be part of the problem – a force for concentration – rather than part of the solution (Noam, 2014, 2016). Never has there been so much wealth created through the ownership of media. This wealth leads to various manoeuvres to perpetuate control, with such firms seeking market power through concentration or regulatory protection (Noam 2016).

There are similarities and differences between legacy mass media and digital communication platforms. Like legacy media institutions, digital platforms enable public communication, give voice to citizens, allow for the establishment of many public spheres, and provide means for citizens to network on a large variety of causes, but digital platforms usually do not produce news content themselves. Rather, they exercise their extremely large influence to disseminate all kinds of content (including, at times, mis- and disinformation). Under the shield of freedom of speech, digital platforms developed their dominant business model without much regulatory intervention: "The proliferation of dis/misinformation is symptomatic of an unregulated media monopoly governed solely by profit imperatives" (Pickard, 2020: 126). While it took establishment media decades to build up national oligopolies, digital platforms have operated as global oligopolies almost since their inception. They constitute global oligopolistic and anti-competitive monoliths, unprecedented in economic history.

With regard to the role that global digital communication platforms play for democratic societies, digital platforms may do the following:

- give and amplify voice indiscriminately to all kinds of groups, among them undemocratic groups;
- enable and amplify undesired and illegal content such as misogynistic and racist hate speech;
- decide to take down content, thereby accepting the risk of over-blocking legitimate content;
- determine communication flows by non-transparent (confidential) algorithmic selection;
- define communication rules on their platforms centrally and without democratic control;
- follow the platform owner's agenda, not the public interest (see Kergueno, 2021);
- and transcend nationstates and operate globally, thereby exploiting and profiting from weaknesses of democratic control and jurisdiction.

Furthermore, continuities from the mass media era to digital platforms become visible with regard to the possibility of exercising enormous media and platform power, the risk of corrupting politics, influencing political decision-making through algorithmic selection, and algorithmic selection manipulating communication content in the owner's strategic interests.

There are arguments in democratic favour of conglomerate digital platforms, as they may give voice to people regardless of their status and power, and enable indiscriminate social networking among citizens regardless of time and space. Thus, digital communication platforms largely reflect and replicate legacy media power structures. In this respect, they are not fundamentally different, but they represent additional and modified challenges to democracy compared with prevailing threats by legacy news media.

Trends in global media ownership concentration

To quantify the degree of ownership concentration, two measurements are commonly used. First, the concentration ratio (CR) sums up the market share of companies; thus, CR4 indicates the concentration ratio of the four largest companies in the industry, with 0–40 per cent representing low concentration, 40–70 per cent representing medium concentration, and anything above 70 per cent representing high concentration. This method does not show the differences in market structure due to variations in company size that affect the level of competition. Second, the Herfindahl-Hirschman Index (HHI) provides a more complete picture of concentration because it looks at the entire market by summing the squares of the market shares of all players (Naldi & Flamini, 2014). The concentration level based on the HHI is divided into three groups: An index value of 0–1,500 represents an unconcentrated market; a value between 1,500–2,500 represents a moderately concentrated market; and a value above 2,500 is considered evidence of a highly concentrated market. Thus, the higher the value of the HHI, the higher the owner concentration. Of course, even this limited informative value is dependent upon comprehensive and precise industry data. Methodological problems associated with the indices used in this chapter are discussed in detail elsewhere (e.g., Pavic et al., 2016).

Based on country case studies and world statistics, Eli Noam (2016) analysed media ownership concentration around the world. Expressed in terms of the HHI, he found that the weighted world average for the overall media sector has increased from 3,125 in 2004–2005 to a very high 3,253 in 2012. For content media, the world average weighted HHI is lower at 2,219 (1,999 without Internet search engines and online news). The search engine industry is the most concentrated among the media industries.

When it comes to news media, Noam found that concentration is very high in most countries, with a world average of 5,194 when measured by attention time. Even without China, the HHI concentration scores at 3,089. On average, the national pooled CR4 for the world is almost 60 per cent; thus, on average, four companies control over half of national media industries combined, a strikingly high percentage largely based on the large size of platform media and their high concentration. According to Noam (2014, 2016), such high figures characterise oligopolistic markets.

Trends in national media ownership concentration

All nine countries participating in both the 2011 and 2021 MDM projects had high ownership concentration rates in the traditional sectors of newspapers, radio, and television in 2011 and 2021. In addition, all of the experts involved reported growing ownership concentrations in the emerging online sector. There is no mention of a decline in any of the countries studied.

All 18 participating countries of the 2021 MDM project are in a similar situation, with thirteen countries scoring 2 points and five countries only 1 point for indicator E1, regarding ownership concentration at the national level (Trappel & Tomaz, 2021c). In this respect, there are no differences between larger countries (with more than 20 million inhabitants) and smaller ones (less than 20 million inhabitants).

Against the backdrop of the previous scholarly debate on the ownership concentration of leading news media, a comparison of the 2011 and 2021 data reveals a number of peculiarities, which are nonetheless discussed in the relevant literature (see Trappel et al., 2011: 354–355; Trappel & Tomaz 2021c: 452–453). In all nine countries, oligopolies still prevail in various legacy media, regardless of the quantitative assessment made in the country reports. According to the Dutch experts, the situation has clearly worsened: "Ownership concentration on a national level is remarkably high, with only five large media companies sharing the market among them" (Vandenberghe & d'Haenens, 2021: 277).

In order to provide additional information to the assessments of the MDM scholars, we compare the MDM findings with the study on the implementation of the revised Audiovisual Media Services Directive (AVMSD) by the European Commission, carried out by Deloitte and SMIT (2021) on a set of 29 countries. For our comparison, we chose a list of eleven countries covered by both the MDM and the AVMSD studies (see Table 7.1). The comparison is limited to television markets, as this has been the sole object of the AVMSD study.

***Table 7.1** CR4 and HHI in the selected eleven countries*

Country	CR4 2014 (%)	CR4 2018 (%)	HHI 2014	HHI 2018	Number of regulations
Austria	78	74	2,183	2,009	5
Belgium	83	80	2,776	2,561	2
Denmark	89	94	2,631	3,061	0
Finland	88	86	3,066	2,049	1
Germany	87	86	2,035	1,978	7
Greece	62	57	1,405	1,390	8
Italy	81	78	2,717	2,375	5
Netherlands	76	72	2,163	2,004	1
Portugal	74	66	1,751	1,528	4
Sweden	92	94	2,461	2,659	0
UK	79	78	2,226	2,104	5

Source: Deloitte and SMIT, 2021

The AVMDS study investigated whether there is a correlation between the degree of regulation and the degree of concentration. The researchers divided the member states into four groups, based on the number of media ownership rules identified: 0 rules corresponds to a completely deregulated market; between 1 and 3 rules represents a low level of regulation; between 4 and 6 rules is considered a medium level of regulation; and between 7 and 11 rules is considered a high level of regulation.

In a next step, the audience market shares for 2014 and 2018 have been matched with the degree of concentration of the television market for each country, calculated as the concentration ratio for the four largest television groups (CR4 and HHI).

Based on these indices, it can be seen that, with the exception of Denmark and Sweden, all countries show slightly declining concentration values for the national television market. Measured by CR4, all countries covered – except Greece – have highly concentrated markets. According to the HHI in 2018, only the television markets in Belgium, Denmark, and Sweden are highly concentrated, and only the television market in Greece is low. In contrast – but including the print media market – the Greek MDM authors state that "the level of ownership concentration is dangerously high. The main reason for this is the vulnerable media legislation, whose limitation on horizontal concentration in broadcast media and newspapers permits a specific modus operandi of the market" (Papathanassopoulos et al., 2021: 199).

The AVMSD report focused empirically on the density of regulation and found that, from the selected eleven countries, Denmark and Sweden have no regulation with regard to mergers and acquisitions in place, while Belgium, Finland, and the Netherlands have light regulation of the television market. Austria, Italia, Portugal, and the United Kingdom have a medium level of regulation. In the selected eleven countries, only Germany and Greece appear to be highly regulated, with seven and eight different regulations, respectively. Of course, neither the existence nor the effectiveness of regulations is decisive for the extent of the measured concentration. However, based on their full country selection, the authors of the AVMSD study conclude they "can confirm that from a quantitative point of view, there is a strong correlation between the two variables, so that the higher the number of media ownership rules, the lower the market concentration level based on the HHI index score is" (Deloitte and SMIT, 2021: 181). Thus, using the example of the Netherlands, it can be shown that deregulation – in 2011 all media and cross-media ownership restrictions were abolished – has not reduced concentration, but rather promoted it (Papathanassopoulos et al., 2019).

Regulation or non-regulation of excessive ownership concentration is only one of many factors that may influence the market result; country size, location, languages, GDP per capita, extent of public and government subsidies for various media genres, and the business potential of the leading news media may or may not play a role. After all, it is not enough to consider the number, but also the diversity of participants in the markets. In addition, the diversity of reporting in the broadest sense is of central importance for democratic political decision-making processes. The MDM research project seems to confirm that democratic political quality cannot be maintained solely by imposing competition policy, but it must be approached more holistically, taking into account recent developments in platform media.

The television markets of the Nordic countries are among the most concentrated in Europe, as the figures based on the HHI index and CR4 showed in Table 7.1. On the one hand, the Nordic countries have a liberal economic orientation and show deregulated markets, while at the same time, they try to stabilise public broadcasting – which has long been institutionalised – and to anchor it in society. For example, public broadcasters are the largest players with the highest audience market shares: Swedish SVT has a 35 per cent market share; Finnish Yle has 44 per cent; and Danish TV2 and DR have a combined 76 per cent (Deloitte and SMIT, 2021).

The situation is somewhat different in the smaller countries and markets in continental Europe. In the Netherlands, for example, public and commercial broadcasting coexist, as the state and the media authority play an active policy role. The CR4 is high, with an audience market share of 72 per cent and a median HHI of 2,004. Here, too, the public broadcaster NPO has the highest national audience market share (32%), followed by the German Bertelsmann Group (RTL station) (21%), and media groups from the US (12%). In contrast to the Nordics, foreign television groups have a strong presence in terms of audience reach.

In 2007, the existing Dutch rules were relaxed and the maximum concentration was set at very high levels, primarily to allow domestic media companies to grow and operate in foreign markets. As of 2011, rules were completely abolished and regulation was left to the leading corporations themselves. Instead, the competent authority started its annual monitoring (see van Dreunen, 2016). However, systematic monitoring could not prevent the newspaper market from being controlled by two foreign corporations as a result of the removal of ownership limits. The radio market suffered a similar fate.

In 2017, the Dutch media company Talpa Media acquired three major television stations, while also owning four major radio stations and the nation's largest press agency, ANP. In competition with large international corporations, the domestic media industry has grown in the Netherlands, but the market is highly concentrated, and liberalisation has led to ownership concentrations across media. The extent to which this leads to a journalistic and democratic deficit in terms of diversity and pluralism is likely to be far more difficult to monitor than the few media owners.

Not only in the Netherlands, but also in other states or regions with large neighbours speaking the same language, such as Austria, Ireland, Luxembourg, Switzerland, or Wallonia, foreign media groups play a major role. These smaller countries generally only have a few domestic broadcasters and publishers, however, with high reach and audience shares for their products and programmes. The sectoral concentration figures are correspondingly high. At the same time, linguistic proximity leads to widespread overspill, and the presence of foreign stations is not only competition, but also part of a welcome quality offer. For example, the German-speaking populations in Austria, Belgium, and Switzerland benefit from public and commercial broadcasting services from Germany, and the French-speaking populations in Belgium, Switzerland, and Italy from those in France. At the same time, the authorities in these regions are motivated to keep the local media industry alive (e.g., with public and state support measures) in order to ensure a minimum of local diversity. This balancing act is necessary, because commercial as well as public broadcasters from France and Germany are neither mandated, nor interested in, nor willing to provide journalistic services for the benefit of the democratic political decision-making processes in their neighbouring countries. In any case, the data show that foreign groups have larger shares in smaller television markets than in larger markets. This can be exemplified by the case of Austria (Grünangerl et al., 2021).

Austria has a high concentration: 74 per cent in CR4 and an HHI of 2,009 in 2018. Austria does have restrictions to prevent horizontal and cross-media concentration, but the merger of the two largest private television stations, ATV and PULS 4, nevertheless took place and increased ownership concentration. In terms of audience share, this group is the second-largest broadcaster after the dominant public broadcaster ORF (see Seethaler & Beaufort, 2020). The antitrust law regarding media diversity and media pluralism did not prohibit the merger. Thus, the four largest players in the German market are also among the five largest broadcasters in Austria, with an audience market share of 47 per cent.

Greece has a comparatively highly regulated media market with clearly defined thresholds to prevent horizontal and cross-media concentration. The Greek state owns and covertly regulates the media to a large extent. As a covert regulator, it seeks to control and limit the power and influence of the media in politics (Deloitte and SMIT, 2021). From this perspective, it is hardly surprising that the public (state) broadcaster ERT has a market share of only 9 per cent. The four leading groups are domestic private-commercial television groups, which claim an audience share of 57 per cent, a medium level of concentration. The HHI of 1,390, on the other hand, indicates a low level of concentration (see also Papathanassopoulos et al., 2021).

The large European countries of Germany, Italy, and the United Kingdom have high CR4 figures for television broadcasters. In these countries, too, governments promote their leading domestic companies so they can position themselves nationally and globally.

The United Kingdom corresponds to the liberal model, which is characterised by the dominance of largely unregulated commercial media – some with performance mandates. The British market is dominated by nationally based operators, with the three largest players accounting for 69 per cent of total audience market share, followed by US-based groups Comcast, Viacom, Discovery, Walt Disney Company, and Warner Media (AT&T), which together account for

20 per cent of the audience market share (Deloitte and SMIT, 2021). Despite all media-specific rules and bodies, the United Kingdom shows a concentration of 78 per cent among the four largest companies and an HHI of 2,104 (see also Moore & Ramsay, 2021).

In Germany, 86 per cent of the audience share is concentrated among the four largest companies, and the HHI is just under 2,000 (a medium concentration). Also in Germany, the public broadcasters achieve the highest audience market share of 48 per cent, making the German public broadcasters the second-largest in terms of audience market share after Denmark. The private-commercial company Bertelsmann, which is active in ten European Union member states, and ranks second in Germany (RTL Group) with an audience share of 21 per cent on the domestic market, is the only European company to achieve a higher audience market share abroad than at home (Horz-Ishak & Thomass, 2021).

Finally, Italy has a law to limit cross-media sector ownership. Nevertheless, according to the CR4, the Italian television market is highly concentrated (78 per cent). The public broadcaster RAI and the commercial Mediaset group form a strong duopoly with an audience reach of 66 per cent (Padovani et al., 2021).

Over and above this number-crunching of market shares, CR4, and HHI measures, structural reasons for why ownership concentration is prevalent in these countries should not be ignored or forgotten. Differences in the measurement of ownership concentration also arise due to the choice of methodology, and because of multilayered factors that come into play to a greater or lesser extent in individual countries. It is, however, clear that whatever measurement is used, media ownership concentration has undesired effects for the economy, journalism, competition, and democracy. Both media policy and communication studies are all too often content with quantitative measurement, instead of asking about the current forms, reasons, and consequences of ownership concentration. Thus, we should not stop at describing the indices, but should contextualise the quantitative results.

Media ownership regulation

There are no European-wide ownership rules in place to counter harmful media ownership concentration: "Each member state has treated the issue separately, mostly with a deregulatory trend" (Iosifidis, 2014: 468). The reasons for dismantling or abolishing ownership regulations include concerns about the competitiveness of domestic media providers. The deregulation trend in Europe favours the mitigation or reduction of existing regulations (Arnold, 2014). This regulatory absence "has left a few large communications conglomerates unhindered to expand their activities across the Continent" (Iosifidis, 2014: 468). According to Doyle (2015), an economic "crisis" in newspaper publishing has resulted in many publishers calling for the deregulation of cross-ownership restrictions, claiming that they impede the sector's ability to adapt to changing market conditions.

However, multiplatform expansion is no guarantee of greater diversity of content or editorial pluralism, and increasing Internet use poses complex challenges for policy-makers (Doyle, 2015). According to Doyle (2015: 304), "the rise of search and intermediation have introduced powerful new players". Because of economic characteristics, such as economies of scale, high fixed costs and low marginal costs, and customer lock-in and switching costs, network effects are widespread in search engines; thus, the "industry is highly prone to monopolization" (Doyle, 2015: 304).

The business design of search engines to use algorithms to direct already popular content to audiences is obviously a threat to diversity. And for smaller countries and minority languages, this information selection practice is potentially more harmful than for larger states: "Google's dominance across the globe creates many possibilities for abuses of gateway monopoly power and of market power" (Doyle, 2015: 304).

In addition, "the question of how to regulate ownership of media is always a site for controversy" (Doyle, 2015: 297). Despite consistent support from the European Parliament for legislative intervention to protect media pluralism, the member states' diverse approaches to protecting media pluralism, and their economic and cultural differences, will likely prevent the EU from harmonising media ownership rules in the foreseeable future (Craufurd Smith, 2013).

So far, however, the European Union's media policy can be regarded as a "lever to promote market liberalization that would nurture European champions" (Iosifidis, 2014: 463). In Europe, technological advances have allowed a proliferation of communication channels and modes of content delivery, which challenge the rationale for strict regulation. The European Commission, with the goal of competing globally, has allowed the formation of large European corporations (Iosifidis, 2014).

Observers point out that the European Commission has been neither willing nor able to achieve pan-European solutions, and there has been no interest among European decision-makers to raise the issue. A clear policy is lacking, and the European Union has been unsuccessful in implementing a harmonised framework of media ownership to guarantee the public's right to know who owns the media (Korbiel & Sarikakis, 2017).

Lately, however, there are indications that the European Union is seeking to play an enhanced monitoring role in the future (Craufurd Smith et al., 2021). While the European Commission's Action Plan, "Europe's Media in the Digital Decade" (2020a), does not mention media ownership concentration as an issue, the Action Plan "On the European Democracy", released on the same day, stipulates that "transparency of media ownership is essential for assessing the plurality of media markets" (European Commission, 2020b: 16). Furthermore, the European Commission announced the effort to improve the public availability of media ownership information by co-financing a pilot project to establish a media ownership monitor, prone to be expanded to cover all member states (European Commission 2020b).

In addition to monitoring ownership, governments might consider enacting policy tools in order to ensure pluralism of ownership and content beyond simply curbing clear misuses, for instance, by encouraging alternative media, protecting access, and promoting interconnection. Not only governments, but also academics, public-policy analysts, NGOs, and media and platform companies must be creative when determining new approaches to these issues, balancing the public interest, technological innovation, and financial investment (Noam, 2014, 2016). According to Iosifidis (2014: 472), "the role of content regulation remains crucial in the converged media age. […] Such rules should aim increasingly at ensuring that public interest content reaches users in the multichannel era". In addition, "a more mixed media system with different mandates as well as different modes of ownership and financing is necessary" (Picard & Dal Zotto, 2015: 63; see also Picard & Pickard, 2017).

Conclusions

The emergence and dominance of highly concentrated platform companies has pushed the problems stemming from ownership concentration in the legacy media sector into the background. Over the past 30 years, despite all economic and political ownership regulations and transparency demands, media policies in the European Union and in individual European countries have not succeeded in dismantling oligopolistic media structures that are harmful to democracy. On the contrary, challenged by digital platforms, national governments seek to protect and promote their legacy media without obliging them to refrain from potentially undemocratic business models and practices.

This structure-preserving media policy ties up many public resources and averts the sustainable transformation of legacy media and enlightened journalism into a platform-dominant environment (see KEA, 2021). In an attempt to replicate the practices of the "big five" global communication companies (GAFAM), successful legacy media companies appear to prefer investing in profitable digital e-ventures rather than loss-making journalism. Such a digital strategy may be successful from an entrepreneurial point of view, but democratic, diverse, and power-critical information for the public is lost along the way. Politically and economically captured that way, media companies are at risk of losing their autonomy and being used by vested interests (see Schiffrin, 2017).

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