



INVESTIGATING AUTOCRACIES

HOW AND WHY THE EU SHOULD SUPPORT INVESTIGATIVE MEDIA IN AUTOCRATIZING COUNTRIES



DEMOCRACY VERSUS AUTOCRACY. WHY THE DEMOCRATIC SYSTEM IS SUPERIOR AND HOW IT CAN DEFEAT AUTOCRACY

INVESTIGATING AUTOCRACIES. HOW AND WHY THE EU SHOULD SUPPORT INVESTIGATIVE MEDIA IN AUTOCRATIZING COUNTRIES

Author: Benazzo SIMONE

Brussels, October 2022

© Institute of European Democrats, 2022 Rue Montoyer 25 1000 Brussels Belgium www.iedonline.eu



This Research Paper was elaborated on the basis of independent research. The opinions expressed here are those of the Contractor and do not represent the point of view of the Institute of European Democrats. With the financial support of the European Parliament

EXECUTIVE SUMMARY

This policy study aims to shed light on the media capture strategy that the current autocratising governments in Hungary and Poland have pursued since coming to power. In the first part, the four tactics of this strategy are described: Concentrate, nationalise, centralise; weaponise state advertising; Polarise to delegitimise, and Enforce (autocratic) law. The second part reviews the actions of the European institutions to protect media freedom and pluralism in these two countries by dividing them into three main categories: Finding, Funding and Fining. In the last part, four policy recommendations are proposed to contribute to the EU policy making on this increasingly strategic battleground in the fight against autocratisation in the Union. Data was collected first-hand through semi-structured interviews with nine investigative journalists, recent reports from independent research centres and secondary literature.

Social Media summary

How can the EU fight against media capture in Hungary and Poland?

Keywords

#autocratisation, #Hungary, #Poland, #EU, #mediacapture, #mediadigitalisation

Short bio

After graduating at the College of Europe in 2017, Simone Benazzo has worked as a freelance journalist and policy analyst for four years, mainly covering the Western Balkans and the Visegrad Countries. In October 2021 he started his PhD in political science at the Université libre de Bruxelles (UlB). His research revolves around the role of investigative journalism in resisting autocratisation in the EU and beyond. Besides media pluralism, he loves trekking, improvising and playing football.



This Research Paper was elaborated on the basis of independent research. The opinions expressed here are those of the Contractor and do not represent the point of view of the Institute of European Democrats. With the financial support of the European Parliament

'The relative freedom which we enjoy depends of public opinion.' George Orwell, <u>Freedom of the Park</u>

'We don't want to look back a decade from now and have regrets about what we've done. If the world moves to fascism, I will know we will have done everything we can, not just as journalists but as citizens of a democracy.' (Maria Ressa, investigative journalist and 2021 Nobel Prize Laureate)

'Reporters are the heroes of our time'
(Timothy Snyder, historian)

TABLE OF CONTENTS

Introduction: Autocratisers in the EU as free-riders of media digitalisation	6
Media capture and resistance in Hungary and Poland	8
 Concentrate, nationalise, centralise Weaponise state advertising Polarise to delegitimise Enforce the (autocratic) law 	
The EU for media freedom and pluralism: Finding, Funding and Fining	13
 FINDING: Reporting as a necessary but insufficient condition FUNDING: Money is futile without a (democratic) future FINING: The bearable lightness of ECJ rulings 	
Conclusion	15
Policy recommendations	15
1) ASSESSING MERGERS' IMPACT ON MEDIA PLURALISM 2) DE-BUREAUCRATIZING AND EXTENDING GRANTS 3) SUPPORTING JOURNALISM IN LOCAL COMMUNITIES 4) ACTING UPON LOCAL INVESTIGATIONS	
Selected references	18
Annex: List of interviewed journalists	20

TABLE OF ACRONYMS

CASE	Coalition Against SLAPPs in Europe
CMDS	Centre for Media Data and Society
CMFP	Centre for Media Pluralism and Media Freedom
ECJ	European Court of Justice
ECPMF	European Centre for Press and Media Freedom
EurOmo	Euromedia Ownership Monitor
IPI	International Press Institute
MPM	Media Pluralism Monitor
RWB	Reporter Without Borders
SLAPPs	Strategic Lawsuits Against Public Participation

TABLE OF FIGURES

Figure 1: The decline of liberal democracy in Hungary and Poland between 2001-	-
2021	6
Figure 2: Risk for media pluralism in EU and candidate countries (beside Bosnia	
and Kosovo).	8
Figure 3: Trends in the variety of media perspectives in Hungary, Poland and the	,
EU (2001-2021).	9
Figure 4: SLAPPs in Europe between 2010 and 2021.	12
Figure 5: Share of total number of media outlets in Europe.	16

INTRODUCTION: AUTOCRATISERS IN THE EU AS FREE-RIDERS OF MEDIA DIGITALISATION

Tackling the degradation of media freedom and pluralism in Poland and Hungary would be impossible without framing that phenomenon within the process of severe autocratisation the two countries have undergone over the last decade. According to the latest report by V-Dem (2022), both countries rank among the ten top autocratisers in the period 2011-2021, and Hungary has been considered as an electoral autocracy since 2020.¹

This caveat is of utmost relevance for policymakers interested in addressing media issues to avoid missing the whole picture. Autocratising rulers in the EU have demonstrated great ability in justifying their illiberal policies by referring to other norms and judgements that can be found in other EU countries. Rui Tavares, a former MEP and Parliament's rapporteur on Hungary defined this strategy as "Orbán's 'Frankenstein' approach." As for the monster created by Doctor Frankenstein, the bits of other bodies that made him up were not problematic in themselves; the mix was.

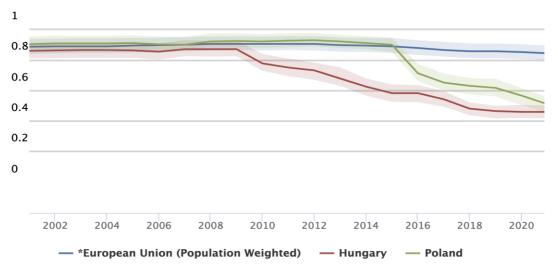


Figure 1: The decline of liberal democracy in Hungary and Poland between 2001-2021.

Source: V-dem website, elaboration by the author

A thorough analysis of the specific policy field of media should therefore be developed against the backdrop of the elaborated project of establishing a brandnew political regime that both the Polish and Hungarian governments have led since they came to power. Such a constructive process is best grasped by the concept of autocratisation (Cassani & Tomini, 2018, 2020). Media capture is just a sub-project of this broader endeavour.

Taking the broader context into account also calls for placing the phenomenon of media capture within the framework of the global crisis of the business models that

¹ On September 15, 2022, the European Parliament adopted a <u>report</u> that officially labelled the Hungarian regime as such.

were dominant in the media sector before media digitization (Pickard, 2011; Tambini, 2015). According to the latest UNESCO report (2022), "the traditional business models underpinning media sustainability are in crisis," and 85% of the global population "experienced a decline in press freedom in their country over the past five years."

In contexts of autocratisation, such as Poland and Hungary, national rulers have thus succeeded in exploiting the increasingly structural weaknesses of the free press to curtail its independence. As the two trends, technology-driven disruption of the media market (with its implications for political polarization) and media capture, overlap to such an extent that make them impossible to disentangle, policymakers aiming to address the latter should be ready to address the former as well by devising tools that can both ensure sustainability and maximise the outreach of independent media.

MEDIA CAPTURE AND RESISTANCE IN HUNGARY AND POLAND

Independent research centres have long acknowledged that the media environments in Poland and Hungary have deteriorated since the two parties currently governing the country, respectively PiS and Fidesz, came to power. The most recent <u>Press Freedom Index</u> by Reporter Without Borders (RWB) ranked Hungary 85th and Poland 66th out of 180 countries.² The latest report released by the <u>Media Pluralism Monitor</u> (MPM) has identified these two countries as the ones with the highest risk for media pluralism and freedom in the EU (2022, 121).

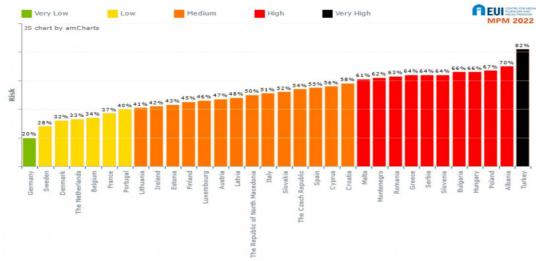


Figure 2: Risk for media pluralism in EU and candidate countries (beside Bosnia and Kosovo). Source: ECMF, MONITORING MEDIA PLURALISM IN THE DIGITAL ERA (2022)

Nevertheless, independent media have deployed practices to counteract media capture, "the situation in which governments or other interest groups try to control the content of media outlets" (Enikolopov & Petrova, 2015, 687). Shedding light on such practices helps to move beyond a view of free media as mere passive victims of the state apparatus, and thus to "understand journalists' agency in relation to political regime dynamics" (Pleines & Somfalvy, 2022, 1).

This section aims at unpacking the well orchestrated media capture that the current Polish and Hungarian governments have led by dividing this strategy into four main tactics, while also mentioning practices or signs of resistance.

• Concentrate, nationalise, centralise

The strategy of concentration of the media in the hands of either state-controlled companies or regime-friendly firms in these two countries has recently attracted much scholarly attention (Bajomi-Lazar, 2017; Guzek & Grzesiok-Horosz, 2021).

In the RWB country fact-file on Hungary it is noted that around 80% of the media sector is de facto under the control of the government, which also holds sway on

 $^{^2}$ Beside Malta, which fare between the two of them (78th), the only EU countries that fare worse than Poland and Hungary are Bulgaria (91th) and Greece (108th). As a way of comparison, it is useful to recall that 18 out of 27 EU countries rank above the 50th position.

regulatory agencies, such as the powerful Media Council. The Hungarian government has acted to merge nearly 500 media outlets, most of them regional newsrooms, into one unique foundation, the Central European Press and Media Foundation (KESMA). It has also mounted a parallel assault on private media, masterminding a system of pressures that exacerbate media takeover from foreign owners. The latter, who had already begun disengaging from the media sector due to the decreasing profitability of the news media, started selling their stakes to national entrepreneurs close to the ruling elite.

The RWB country fact-file on Poland outlines similar trends. In December 2020 PKN Orlen, a state-controlled company, bought Polska Press, a network encompassing 20 out of 24 main regional newspapers, plus 120 weekly magazines and 500 online portals, from its German owners. The takeover of Polska Press has been a telling example of the campaign of "repolonisation of the media" the PiS government has waged to replace foreign media owners with Polish ones (Majcher, 2022; Surowiec et al., 2019).

The nationalisation of media, resulting in the gradual expulsion of foreign owners from the media sector, is one of the most consequential effects of this campaign of media concentration. National entrepreneurs are easier to blackmail and control by the government than foreign owners. Only a small minority in Hungary (15%) and Poland (19%) think the news is free from political influence (Reuters, 2022).

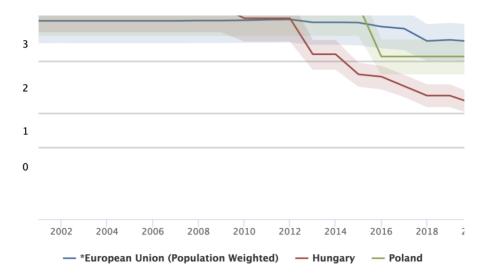


Figure 3: Trends in the variety of media perspectives in Hungary, Poland and the EU (2001-2021).

Source: V-Dem website, elaboration by the author

There is however a crucial feature of this trend of media concentration that has been mainly overlooked so far, namely that media concentration has also led to the centralization of information, thus contributing to the disappearance of local newsrooms. This is a paradigmatic case where wishful autocrats have capitalised on a phenomenon triggered by digitalisation, namely the crisis of local newspapers, turning that into a tool to consolidate their power base. As observed in a recent report, "(..) in small/rural towns it is easier to control journalists than in bigger cities: (..) the closer presence of powerful politicians that oversee many societal sectors acts as a deterrent, if not as a direct form of pressure" (Rita et al., 2021, 16).

If the global picture is definitely not a rosey one, the same previously mentioned RWB report highlights signs of resilience and resistance. In Poland, independent media still enjoy strong support from a part of the population that protested against tailor-made laws targeting independent media and, by and large, the private market has remained fairly pluralistic, thanks mainly to the presence of established and influential independent media. In Hungary, although "they are subject to political, economic, and regulatory pressures, independent media maintain major positions in the market."

Weaponise state advertising

As argued by <u>Bleyer-Simon and Nenadić</u>, state advertising is de facto a form of state subsidy. Albeit often controversial, the practice of subsidising some newspapers is not to be discarded in itself. The International Press Institute (IPI) believes, for instance, that "where the market is no longer able to sustain quality journalism, the government has a role to intervene and ensure it can" (2022), and a debate on the subject is currently going on among policymakers and academics alike (Deane, 2021; Schiffrin et al., 2022).

As mentioned above, in the cases of Hungary and Poland appreciating the context then becomes pivotal. Autocratising elites in both countries have transformed state advertising into "a powerful tool of political favouritism as well as an instrument of market distortion, censorship, and building an uncritical media empire aligned with the government" (Bátorfy and Urbán, 2019, 44). A skilful management of state resources to advertise state-led initiatives has proven instrumental for punishing critical media and rewarding loyal ones. In a phase of shrinking revenues, receiving these funds might be crucial for the survival of middle-size media outlets. According to data reported by Zselyke Csaky, in Hungary "In 2019, government spending made up 12 percent of the ad market as a whole—an increase of 500 percent from a decade earlier. (..) in 2018, government advertising comprised 80 to 90 percent" of the respective total ad revenue of Figyelo and Magyar Idok, two pro-government papers" (2020). Furthermore, Selva (2020) has noted that the allocation of state advertising is likely to affect private investors as well. Companies and firms, for instance, which aim to keep a working relation with state authorities might be tempted to avoid financing critical media through advertisement out of the fear of bothering the incumbent government.

Independent media have reacted by searching for alternative sources of revenues. Some of the most respected investigative media outlets, such as Atlatszo and Direkt36 in Hungary and Oko.Press in Poland, rely for at least 50% of their global budget on private donations they attract through crowdfunding campaigns.

Therefore, Csaky argues, "diversifying revenue streams and keeping readership engaged provide the best protection against a hostile government" (2020). In addition, leading investigative journalists have joined arms to launch cooperative cross-border projects, such as VSquare (launched in 2017) or Reporting Democracy (launched in 2019), which maximise opportunities to obtain funds from external donors, both public and private. Beside the financial added value of these projects, the connection with international organisations also helps to build solidarity networks for journalists that might feel threatened and marginalised at home because of their critical reporting on public officials' conduct (Rita, 2022).

Polarise to delegitimise

Polarisation has long been indicated as one of the driving forces behind the current crisis of liberal democracy (Abramowitz, 2010; Graham and Svolik, 2020; Svolik 2019). This wide-reaching phenomenon is both a product and a cause of the crisis of mainstream media. Social media have contributed to the fragmentation of the media landscape, leading to the emergence of parallel "filter bubbles," i.e. epistemic communities that tend to embrace a partisan and biased understanding of politics (Fletcher et al., 2020; Mancini, 2012; Rhodes, 2022; Spohr, 2017). In contexts of media capture, autocratising rulers can then turn polarisation into a useful mechanism to restrain the impact of journalistic investigations that could bear the potential to erode their support base by exposing their wrongdoings.

According to the latest report by Reuters (2022, 41), Poland is the country with the highest level of perceived polarisation in the news among the 43 surveyed countries. Indeed 54% of Polish respondents think that the main news organisations in their country are politically far apart. Hungary also fares rather high - at the 5th place (44%).

Consequently, in the current scenario, the main challenge for investigative journalists is no longer producing a ground-breaking story. Despite all the odds, they often manage to have it published. The problem, therefore, rests not so much on the side of the supply, but on the side of the demand. High-impact investigations seem to fall on deaf ears and only reach those segments of the population that are already inclined to oppose the would-be autocrat, with little potential for mobilisation. Illiberal governments in the EU act to ensure that the most public opinion lives in status of permanent anaesthesia, where the few strong inputs come from official authorities. This tactic also provides them with a useful facade of democratic accountability, especially vis-à-vis external partners that might be alien to the local context.

The same report from Reuters cited above notes however a counter-intuitive element that could galvanise democratic forces. In both Poland and Hungary private, foreignowned - and mostly non-partisan - media rank very high among the most reliable sources of information. In Poland, the five most trusted media are RMF FM, TVN News, Radio Zet, Onet.pl and Polsat News. In Hungary they are HVG, telex.hu, RTL Klub, ATV (the only one rather sympathetic to the government) and 24.hu.

• Enforce the (autocratic) law

Given the high visibility and the possible backlash that overt censorship measures can trigger both from domestic audiences and external partners, this option is usually seen by illiberal rulers as a risky last resort move. Nonetheless, as reminded by Scheppele's concept of "autocratic legalism" (2018), current would-be autocrats do not refrain from using electoral mandates, as well as constitutional and legal changes, in the service of their illiberal agenda. Therefore, although Hungarian authorities have favoured subtler means of pressure, as in the case of the closure of the left-wing daily Népszabadság (Simon & Rácz, 2016), they have also selectively applied outright censorship through the government-controlled Media Council (Pirro and Stanley, 2021), as recently shown in the case of Klubrádió (Bellucci 2021). In the meantime, the European Parliament (2021) has begun addressing another action that falls in the same category, namely the launch of Strategic Lawsuits Against Public Participation (SLAPPs), a practice the Polish government has widely

adopted in recent times. According to the latest report by the Coalition Against SLAPPs in Europe (CASE), the main Polish independent daily newspaper, Gazeta Wyborcza, was the target of 73 legal actions from 2010 until the end of 2021" (2022, 41), mostly initiated by the ruling parties or its affiliates.

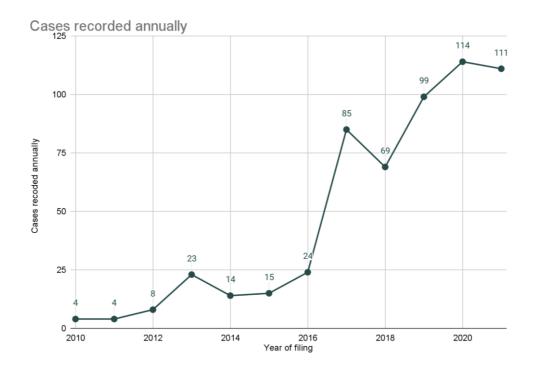


Figure 4: SLAPPs in Europe between 2010 and 2021. Source: CASE, <u>Shutting down criticism: how SLAPPs threaten European democracy. A report by case</u>, March 2022, 18.

Independent journalists have not just passively accepted the ban or direct censorship of the newspapers that employed them. Building on their expertise and determination to continue doing their job by abiding to high quality standards of independence, many journalists that had either resigned or been laid off by new owners of their newspapers have reacted by founding new media outlets. This reaction has been particularly visible in Hungary, where new projects such as Telex.hu or Direkt36 were established by journalists that had left or had been fired by newspapers that were taken over by businessmen close to the ruling elite - Index.hu and Origo, respectively. Usually, these newly-established media tend to be online media, and follow innovative business models that, as hinted above, rely heavily on subscriptions, thus corroborating the link between them and their audiences. As shown by Pleines and Somfalvy, "the creation of new media outlets with a political agenda, is an important element in regime dynamics and regime change" (2022, 1)

THE EU FOR MEDIA FREEDOM AND PLURALISM: FINDING, FUNDING AND FINING

Over the past decade the EU institutions have developed increasingly more refined tools to track and react to the violations of media freedom and pluralism committed by Member States, which have only gradually come under the spotlight.³ Due to the limitations of the current paper, it would be hard to outline an exhaustive assessment of all the actions the EU has launched in this domain. It has been useful, then, to group them under three broad meta-categories: "Finding," "Funding" and "Fining."

FINDING: Reporting as a necessary but insufficient condition

Since 2010 the EU has carried out several actions to monitor the state of media freedom and pluralism across the bloc. The EP, in particular, has been extremely active on the subject, and has produced or commissioned many valuable reports (Spinelli et al., 2018; Vīķe Freiberga et al., 2013; Weber et al., 2012). In addition, issues of media pluralism, which is one of the four pillars covered in the newly-devised Rule of Law Mechanism, have also been highlighted in virtually all the reports the European Commission has dedicated to the erosion of the rule of law in Poland (2022) and Hungary (2022). These reports have often translated into the approval of some resolutions, with the European Parliament resolution on strengthening democracy and media freedom and pluralism in the EU, approved on 11 November 2021, serving as a recent example. In parallel, the EU has created some research centres in the field, such as the Centre for Media Pluralism and Media Freedom (CMFP), and financially supported others, such as the European Centre for Press and Media Freedom (ECPMF) and the Centre for Media Data and Society (CMDS).

The ultimate and implicit purpose of these "toothless reports" (Kelemen, 2020) was persuading the illiberal governments that had engaged in reigning in critical media to cave in and steer their course of action through social pressure (Sedelmeier, 2014). There has been an expectation for more than a decade that singling out illiberal practices - not exclusively in the domain of media freedom - could suffice to force perpetrators to backtrack and toe the line out of fear of marginalisation within the EU. This expectation has, unfortunately, failed to materialise. Reporting remains a necessary activity to gain a sound understanding of the situation on the ground, but its concrete impact has been negligible so far.

FUNDING: Money is futile without a (democratic) future

Beside research centres, the EU has increasingly begun finding media outlets and journalists more directly. Within its ambitious <u>Digital Strategy</u> the European Commission supports <u>a wide array of projects</u>, with budgets ranging from €500,000 to €16,000,000. Furthermore, the <u>European Journalism Centre</u> (EJC), one of the most generous donors of journalistic activities, is partially funded by the EU institutions, and so are <u>Journalism Fund</u> and <u>Investigative Journalism for Europe</u> (IJ4EU). Altogether, the European Commission <u>reports</u> that "EU support to the news media sector under the Creative Europe programme represents 3% [around 75 million euro] of the total envelope for 2021-2027." The EU has undoubtedly become

³ Interestingly, one of the first projects launched to "examine the configuration of state media policies ().. and to explore their effects for media freedom and independence, MEDIADEM, focused on 12 EU countries, but neither Hungary nor Poland were included.

⁴ These three actions are to be understood as interlinked and not isolated. An EP report (finding) could, for instance, lead to the launch of an infringement procedure (fining), as the establishment of a research centre (funding) aims at producing accurate reports (finding). However, for policy purposes, this tripartition could prove beneficial as a grill to differentiate among the variety of tools, initiative and projects EU institutions have introduced in this increasingly sensitive and multilayered policy field.

a major player and stakeholder in promoting high-quality journalism across the continent.

Some funds have also come in the coffers of independent media in Poland and Hungary, mainly in the form of grants. Most interviewees have acknowledged the relevance of these grants in supporting their activities and enabling them to embark on new journalistic projects. As many of the grants insist on the transnational dimension, they have also provided opportunities for journalists to meet across borders and forge valuable partnerships. The interviewees have however complained that most grants only offer a short-term perspective and focus on one-shot projects, and cannot thereby ensure long-term sustainability and planning. In addition, they observed that the demanding paperwork and the high level of bureaucratization required in order to obtain these grants can discourage smaller newsrooms from applying, as they lack the needed expertise.

FINING: The bearable lightness of ECJ rulings

Acting upon the EU Charter of Fundamental Rights, the EU launched some infringement procedures against Hungary in the domain of the protection of media freedom and pluralism. The latest case has revolved around the decision of the Hungarian Media Council's to reject Klubradio's application, which pushed the Commission to refer Hungary to the European Court of Justice (ECJ) in July 2022. Similarly to the reporting activities sketched above, launching infringement procedures can help shed light on the wrongdoings of autocratising governments. In some instances, they also led to heavy monetary fines, as in the case of the Polish government's attempt to jeopardise the judiciary's independence which led the ECJ to impose a record-breaking €1 million daily fine against Poland (Court of Justice of the European Union, 2021).

Yet, the deterrent effect of even such hard measures has also been rather limited so far. Rulings from the ECJ usually come too late, since for media outlets that have been banned not going on air or publishing for months means facing heavy losses in terms of revenues and visibility. The latter can be hard to make up for even once the ECJ rules in the plaintiff's favour and financial compensations are imposed. This time gap can be crucial for small-size media. Besides, most of the tactics that autocratisers deploy to capture media are exercised informally, whereas "the EU operates in a deeply legalized environment where long-lasting procedures are rather avoiding sanctions against member states" (Zgut 2022, 22).

CONCLUSION

The gloomy picture that emerged across the previous section might evolve in the future in the face of newly-designed instruments, such as the Rule of Law Mechanisms, and, more tailored to the purpose of shoring up independent media,

the <u>European Media Freedom Act</u> (EMFA) the Commission put forward on 16th September 2022. In April 2022, for the first time to date, the EU Commission triggered the new rule-of-law conditionality mechanism against Hungary (Bayer, 2022), and it has engaged in a legal battle against the Hungarian government ever since. Alongside, some provisions to further support local media outlets and to combat market distortion resulting from state concentration have been advanced in the EMFA.

As they are all processes in the making, the concrete outcome of these newer provisions will need to be thoroughly assessed in the coming years.

POLICY RECOMMENDATIONS

Based on the previous section and on inputs gathered through the interviews, in this conclusive section, four concrete policy recommendations are proposed to safeguard media freedom and pluralism in autocratising Member States.

1. ASSESSING MERGERS' IMPACT ON MEDIA PLURALISM

As media capture in both Poland and Hungary entails media nationalisation, it is time for the EU to skillfully react to these power grabs by applying a finer interpretation of media pluralism when examining prospective mergers in the media sector, 5 As argued by Iosifidis, "Precisely because of the nature of the media industry, competition policy objectives are not enough for preserving other policy objectives. (..) the safeguarding of a competitive environment and the promotion of diversity are different (although sometimes overlapping) objectives. The latter can only be fostered by specific media rules on either content or ownership" (2014, 464-465). The first step would be to directly involve the Euromedia Ownership Monitor (EurOMo), which is funded by the EU but now only focuses on 15 countries, any time a merger in this domain is evaluated. Tracking who owns the media, and mapping out how these stakeholders are connected to each other, is a fundamental preliminary action to understand how diverse the voices that citizens are exposed to actually are. The second step would be for the Commission to engage the European Parliament, ideally the LIBE and/or the CULT committees, when mergers are to be approved. This could guarantee that the issue of preserving an effective media pluralism is taken into account, and business deals in the media domain are not

⁵ It seems unlikely, though, that this approach will be adopted in the upcoming European Media Freedom Act (Newman 2020).

⁶ Poland is not included, whereas Hungary is.

merely seen as business deals by the European Commission, as was the case in a recent controversial greenlighting.

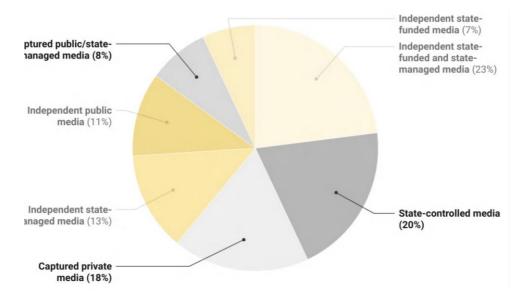


Figure 5: Share of total number of media outlets in Europe. Source: Dragomir and Soderstrom (2022, 19)

2. DE-BUREAUCRATIZING AND EXTENDING GRANTS

As recalled above, some EU-funded projects have contributed to launch or sustain valuable journalistic projects, both inside Hungary and Poland, and at the regional level. In order to make these grants more effective, and also enable smaller newsrooms to apply, their applications and management should be debureaucratized. Additionally, these grants should focus less on supporting short-term investigations and more on giving local newsrooms a longer perspective (3 years at least) in order to enable them to make long-term commitments to both employees and their readership. Also, promoting and offering free workshops to keep up with technological innovations, ideally involving acclaimed providers such as News Impact, will be pivotal to help reporters navigate the current hypertechnological media environment, as well as to stand up to the increasingly pervasive use of surveillance technologies by autocratising governments. As shown by the use of Pegasus by the Hungarian government to spy on more than 300 people, including investigative journalists (European Parliament, 2022, 7), illiberal rulers do not hesitate to use invasive technologies to intimidate opponents.

3. SUPPORTING JOURNALISM IN LOCAL COMMUNITIES

The EU should support local journalism by stimulating and sustaining the development of newsrooms outside most populated cities. There are areas of Poland and Hungary where the only available news is provided by government-controlled national public service. The disappearance of local media is not only detrimental to the global quality of the information, but it also makes it harder to hold local rulers accountable. As a 2019 investigation of the NYT revealed, major misuses of EU funds take place in the countryside, as these remote areas are less often in the spotlight

⁷ This need is also felt in other sectors, such as Horizon Europe partnerships (Naujokaitytė <u>2022</u>).

than major cities, thus giving local clientelistic networks more leeway to act behind the scenes. Without a consolidated presence of independent media in the countryside, clientelism can then easily prosper, fuelled in large part by EU funds. In this regard, the project to support "local and regional news media in face of emerging news deserts" that the European Commission has recently launched within its Digital Strategy can be interpreted as a positive step in the right direction, and should represent the cornerstone of a more systematic and coordinated action. The bipartisan Local Journalism Sustainability Act that the US Congress has been debating since July 2021 can be taken as a point of reference as well as the Local Democracy Reporting Service the BBC launched last year.

4. ACTING UPON LOCAL INVESTIGATIONS

Many of the wrongdoings that investigative journalists discover involve the misuse of EU funds. Given the prominence such funds have in both Poland and Hungary, EU institutions have then a double interest in giving these investigations a proper follow-up. First, this would contribute to strengthening the emergence of a pan-European public opinion: the more EU taxpayers understand how their taxes are (mis)used in other EU countries, the more likely it is that they will demand accountability by political elites also in countries other than their own one. Second, this can help keep local journalists motivated by proving that their work is valuable, and carries wider resonance and impact than what they can appreciate domestically. Turning local issues into EU issues is instrumental to bolster the creation of cross-country alliances and solidarity networks of like-minded partners aiming to resist autocratisation. In this regard, continuing to support regional projects such as Reporting Democracy and VSquare remains a priority.

Most of the measures advanced above, however, require that the EU institutions adopt a stauncher stance on the protection of liberal democracy in Member States. Without that, it is unlikely that any legal tool, albeit well conceived and intended, will bear any fruit.

As <u>argued</u> by a panel of pundits at a recent roundtable, in order to counteract autocratising trends the EU should become "a militant democracy, able to defend its basic principles, by using the traditional tools for the enforcement of EU law in a novel manner."

Acknowledgments

An earlier version of this study benefited from comments by <u>Konrad Bleyer-Simon</u> (Center for media Pluralism and Freedom, European University Institute) and <u>Ides Debruyne</u> (Journalismfund.eu), and proofreading by Edwin O'Connell.

The author remains responsible for any errors that may be found in this document, which will be corrected upon notification where possible.

⁸ In the period 2014-2020 EU structural and investments funds accounted for roughly 5% of both the Polish and Hungarian GDP. See Eurostat: GDP and main components (year 2014) and European structural and investments funds. Country Budget for 2014-2020 (countries: Poland and Hungary).

SELECTED REFERENCES

Bajomi-Lazar, P. (2017) Particularistic and Universalistic Media Policies: Inequalities in the Media in Hungary, Javnost - The Public, 24(2), 162-172, doi: 10.1080/13183222.2017.1288781

Bátorfy, A. & Urbán A. (2020) State advertising as an instrument of transformation of the media market in Hungary, East European Politics, 36:1, 44-65, DOI: 10.1080/21599165.2019.1662398

Bleyer-Simon, K. & Nenadić, I., News Media Subsidies in the First Wave of the COVID-19 Pandemic – A European Perspective, https://cmpf.eui.eu/news-media-subsidies-in-the-first-wave-of-the-covid-19-pandemic-a-european-perspective/ [Accessed 5th September 2022].

Boese, V. A., Alizada, N., Lundstedt, M., Morrison, K., Natsika, N., Sato, Y., Tai, H. & Lindberg, S. I. (2022) Autocratization Changing Nature? Democracy Report 2022. Varieties of Democracy Institute (V-Dem)

Cassani, A. & Tomini, L. (2018) Autocratization in post-Cold War Political Regimes. London, Palgrave Macmillan. https://link.springer.com/book/10.1007/978-3-030-03125-1

- (2020) Reversing regimes and concepts: from democratization to autocratization. Eur Polit Sci 19, 272–287. doi: 10.1057/s41304-018-0168-5

Centre for Media Pluralism and Media Freedom. (2021) MONITORING MEDIA PLURALISM IN THE DIGITAL ERA

Application of the Media Pluralism Monitor in the European Union, Albania, Montenegro, the Republic of North Macedonia, Serbia and Turkey in the year 2021. https://cadmus.eui.eu/handle/1814/74712

Coalition Against SLAPPs in Europe (2022), Shutting Out Criticism: How SLAPPs Threaten European Democracy.

https://static1.squarespace.com/static/5f2901e7c623033e2122f326/t/6231bde2b87111480858c6aa/1647427074081/CASE+Report+on+SLAPPs+in+Europe.pdf

Deane, J. (2021) Is independent media a public good and is public subsidy to support it realistic? WORKING PAPER 1, Primed. https://www.bbc.com/mediaaction/publications-and-resources/policy/briefings/primed-pathways-media-sustainability-april-2021/

Enikolopov, R. & Petrova, M., (2015), Media Capture: Empirical Evidence, in Simon P. Anderson, Joel Waldfogel, David Strömberg, (eds.) Handbook of Media Economics, 1, pp. 687-700.

Fletcher, R., Cornia, A. & Nielsen, R. K. (2020) 'How Polarized Are Online and Offline News Audiences? A Comparative Analysis of Twelve Countries', The International Journal of Press/Politics, 25(2), pp. 169–195. doi: 10.1177/1940161219892768.

Gergely, M. (27 July 2022) How media capture left Hungarian voters vulnerable to disinformation (HVG). International Press Institute. https://ipi.media/how-media-capture-left-hungarian-voters-vulnerable-to-disinformation-hvg/ [Accessed 5th September 2022].

Guzek, D. & Grzesiok-Horosz, A. (2021) 'Political Will and Media Law: A Poland Case Analysis', East European Politics and Societies. doi: 10.1177/08883254211049514.

International Press Institute (30 June 2022) Joint statement on the European Media Freedom Act, https://ipi.media/joint-statement-on-the-european-media-freedom-act/ [Accessed 5th September 2022].

Iosifidis, P. (2014). Pluralism, Media Mergers and European Merger Control. In: Donders, K., Pauwels, C., Loisen, J. (eds) The Palgrave Handbook of European Media Policy. Palgrave Macmillan, London. https://doi.org/10.1057/9781137032195 25

Kelemen, R.D. (9 October 2020), You can't fight autocracy with toothless reports, EU Law Live, https://eulawlive.com/long-read-you-cant-fight-autocracy-with-toothless-reports-by-r-daniel-kelemen/

Lührmann, A., Maerz, S. F., Grahn, S., Alizada, N., Gastaldi, L., Hellmeier, S., Hindle G. & Lindberg, S. I., (2020) Autocratization Surges – Resistance Grows. Democracy Report 2020. Varieties of Democracy Institute (V-Dem)

Majcher, K. (2022). Media Pluralism and Independence: Legal Assessments of the Agora/Eurozet and PKN Orlen/Polska Press Transactions (Poland), Journal of European Competition Law & Practice, doi: 10.1093/jeclap/lpab090

Picard, R. G. (2011), Mapping Digital Media: Digitization and Media Business Models. Open Society Foundation. https://www.opensocietyfoundations.org/publications/digitization-media-business-models

Pleines, H., & Somfalvy E., (2022) Protests by journalists in competitive authoritarian regimes: repertoire and impact in the case of Ukraine (2010-14), Democratization, doi: 10.1080/13510347.2022.2115032

Reporters without borders. (2022) Press Freedom Index. https://rsf.org/en [Accessed 5th September 2022].

Reuters Institute. (2022) Digital News Report 2022. https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2022

Rhodes, S. C., (2022) Filter Bubbles, Echo Chambers, and Fake News: How Social Media Conditions Individuals to Be Less Critical of Political Misinformation, Political Communication, 39:1, 1-22, doi: 10.1080/10584609.2021.1910887

Rita, M. F. (2022), Interviewing Journalism II. Needs and gaps in support for women and local journalists. https://www.rcmediafreedom.eu/Dossiers/Interviewing-Journalism-II.-Needs-and-gaps-in-support-for-women-and-local-journalists

Rita, M. F., Verza S. & Chiodi, L. (2021) Interviewing journalism. Needs and gaps in support for European journalists. https://www.academia.edu/45663733/Interviewing journalism Needs and gaps in support for European journalists?from sitemaps=true&version=2

Schiffrin, A., Clifford, H. & Adjin-Tettey, T. D. (2022) Saving Journalism 2: Global Strategies and a Look at Investigative Journalism. https://www.kas.de/en/web/usa/single-title/-/content/saving-journalism-2-global-strategies-and-a-look-at-investigative-journalism

Simon, K. & Rácz T. (17 October 2016) The shutdown of Népszabadság: Orbán comes one step closer to complete media dominance, Heinrich-Böll-Stiftung. https://www.boell.de/en/2016/10/17/shutdownnepszabadsag-orban-comes-one-step-closer-complete-media-dominance

Spohr, D. (2017) 'Fake news and ideological polarization: Filter bubbles and selective exposure on social media', Business Information Review, 34(3), pp. 150–160. doi: 10.1177/0266382117722446.

Surowiec, P., Kania-Lundholm, M., & Winiarska-Brodowska, M., (2020) Towards illiberal conditioning? New politics of media regulations in Poland (2015–2018), East European Politics, 36:1, 27-43. doi: 10.1080/21599165.2019.1608826

Tambini, D. (2015) Five theses on public media and digitization: from a 56-country study. International Journal of Communication, 9 (2015). 1400-1424. http://eprints.lse.ac.uk/62187/

Unesco. (2022) World Trends in Freedom of Expression and Media Development: Global Report 2021/2022. https://www.unesco.org/reports/world-media-trends/2021/en

Zgut, E. (2022), "Informal Exercise of Power: Undermining Democracy Under the EU's Radar in Hungary and Poland", Hague Journal on the Rule of Law (2022). https://doi.org/10.1007/s40803-022-00170-0

ANNEX: LIST OF INTERVIEWED JOURNALISTS

- 1. Wojciech Cieśla (Fundacja Reporterów, VSquare and Investigate Europe)
- 2. Péter Erdélyi (444.hu)
- 3. Daniel Flis (Oko.press)
- 4. Jakub Korus (Newsweek Polska)
- 5. Sándor Orbán (Budapest Center for Independent Journalism)
- 6. Grzegorz Rzeczkowski (Newsweek Polska)
- 7. Márton Sarkadi Nagy (Atlatszo)
- 8. Zsuzsanna Wirth (Direkt36)
- 9. Blanka Zöldi (Lakmusz)