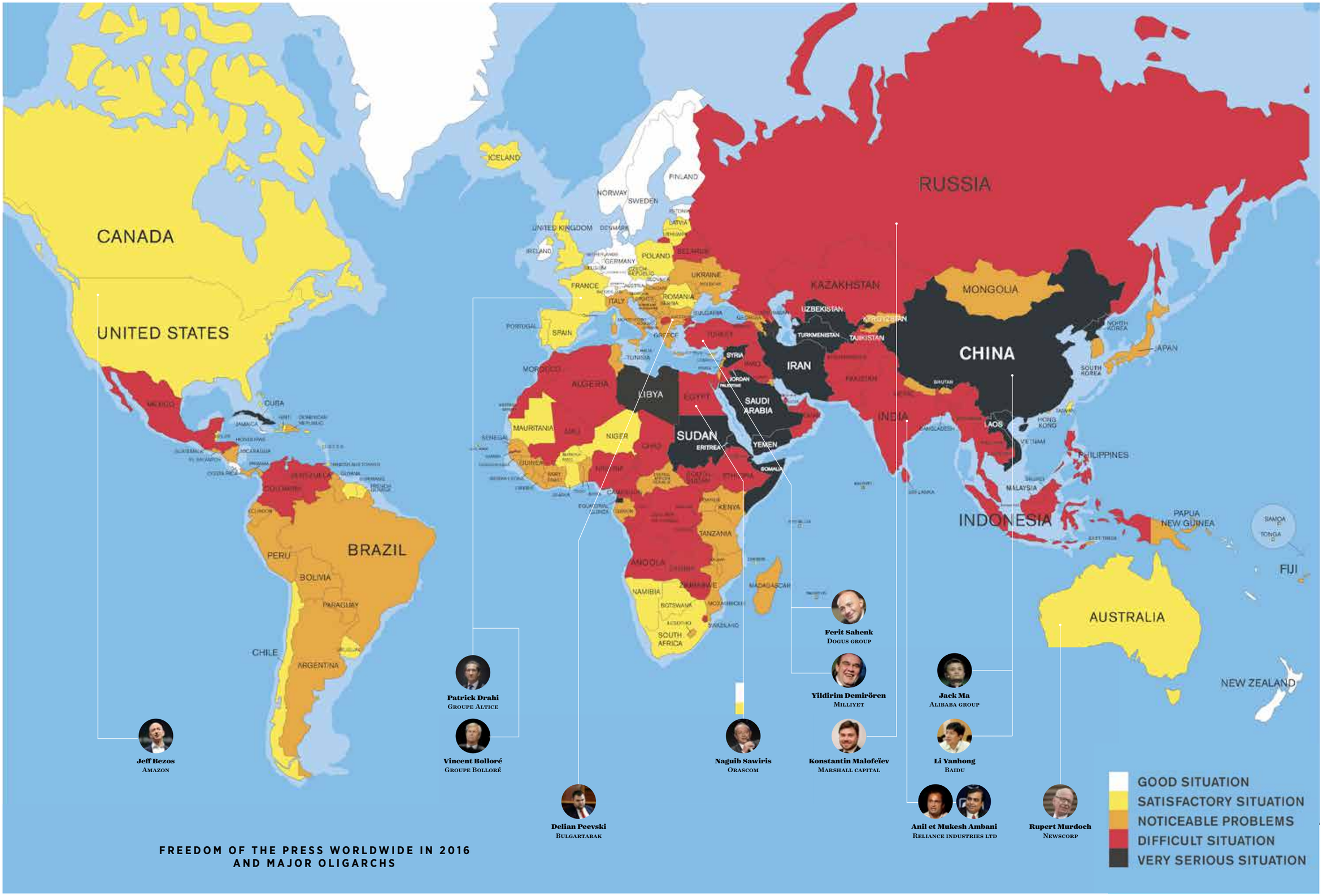
MEDIA OLIGARCHS GO SHOPPING

REPORTERS WITHOUT BORDERS
FOR FREEDOM OF INFORMATION



FREEDOM OF THE PRESS WORLDWIDE IN 2016 AND MAJOR OLIGARCHS

Summary

PREFACE

Money's invisible prisons

To make choices based on reliable information, humankind, societies and individuals need "trusted observers" who are dedicated to the "unrestricted pursuit of objective truth," as UNESCO's constitution puts it. Hence the importance of journalists who are not only free to go anywhere but also unconstrained by money's "invisible prisons." These prisons may be much more comfortable than real ones, and sometimes they are very comfortable, but they prevent journalists from operating in a completely independent manner.

In the report *Oligarchs go Shopping,* Reporters Without Borders (RSF) describes a worldwide phenomenon, the takeover of entire media groups or even entire media landscapes by "oligarchs," extremely wealthy individuals whose interest in journalism is secondary to the defence of their personal interests. They buy up media not to increase media pluralism but to extend the scope of their own influence or the influence of their friends.

In countries such as Russia, Turkey, India and Hungary and even in what are supposed to be the most open democracies, billionaires use their fortunes to shop for media outlets. Occasionally they rescue newspapers or broadcast media groups for philanthropic reasons, but in most cases they put their media acquisitions in the service of their other business activities. The resulting conflicts of interest deprive journalists of their independence and at the same time deprive everyone else of their right to honestly reported news and information.

Disentangling the complex webs of media share ownership, shedding light on family and political ties, drawing attention to sudden changes in editorial policy and exposing unfair use of media power – this is the task that RSF has set itself with regard to the wealthiest media owners, who are of course very skilled at protecting their personal advantages and those of their friends. Defending journalists from every kind of threat, including the threat of money, is RSF's raison d'être.

Christophe Deloire
Secretary-General

The hidden side of the oligarchs

It is a worldwide trend. From Turkey and Russia to China and India, new media empires are emerging, usually with governmental blessing. Their owners comply with capitalist laws of supply and demand and the need for technological development. But, at the same time, they take strict control of news coverage or replace journalistic content with entertainment.

IMAGINE A WORLD in which the mass media were the exclusive property of a handful of people, all business tycoons. Many people think that world has already arrived. Businessmen of every kind have been seized by the disturbing desire to buy up large numbers of major newspapers, TV channels and radio stations around the globe. No country, no continent – neither India, China, the United States nor Europe – seems to escape the appetite of these new oligarchs for media acquisitions. Their latest feats include Jack Ma's purchase of the *South China Morning Post*, one of the last champions of the free press in Hong Kong, a newspaper that did not hesitate to criticize the government in Beijing. Ma is the owner of the Chinese e-commerce giant Alibaba.

Where will these new media owners stop? Their ambition often matches their financial resources, which are limitless. In a recent

Jack Ma, CEO of Alibaba Group at the Wordl Economic Forum in Davos, January 2015
FABRICE COFFRINI / AFP

book[1], Indian historian Nalin Mehta said his country, "the world's biggest democracy," has around 800 TV channels but all those that provide news coverage are owned by shadowy billionaires – including real estate barons, politicians and captains of industry – and that some of these channels are used to blackmail, promote personal interests and even launder money. *"There is a coup underway in India,"* writer and journalist Manu Joseph says. *"Some people who are inconvenienced by democracy have taken over nearly all the country's television news channels[2]."*

Above:
Ferit F. Şahenk, chairman of Dogus Group
D.R.

Right page:
Yildirim Demirören, chairman of the Demirören holding
D.R.

TURKEY - THE PRESIDENT'S BEST FRIENDS

Some of these billionaire businessmen boast of being able to make and unmake governments. Others enter into alliances with governments, offering them mass media support in return for economic favours. In all cases, their financial power combined with their control of media flagships gives them almost limitless influence, one far removed from the journalistic principles that their employees sometimes try to defend.

The victims of such unholy alliances include Turkey's leading media, which are subjected to censorship that is much more insidious and sophisticated than the government's usual repressive methods, censorship in which the oligarchs are accomplices. *"While the world is focused on the issue of jailed journalists in Turkey — almost all of whom are Kurds — the kiss of death to our profession has been bestowed by owners who consciously destroy editorial independence, fire journalists who voice scepticism and dissent and block investigative reporting[3],"* Yavuz Baydar wrote in 2013, while ombudsman of the daily *Sabah* after holding the same position with *Milliyet*. Along with dozens of other journalists, he was fired for being too critical of the Erdogan government, which did not need to intervene because the media owners anticipated its wishes.

These new media oligarchs have prospered under Prime Minister and now President Erdogan, who anointed them and to whom they have remained loyal. *"The problem is simple: one need only follow the money,"* Baydar says. As in so many other countries, the leading media in Turkey have wound up in the pockets of businessmen active in such strategic sectors as telecommunications, banking and public works, a sector described by Baydar as a "fertile ground for carrot-and-stick policies." Media owners who support government policy can count on being rewarded with state contracts, licences, advertising and even tax concessions. The critical ones are silenced slowly and quietly.

President Erdogan's current "best friends" include such oligarchs as Ferit F. Şahenk, the head of the very powerful Dogus Group (which controls *NTV*), Turgay Ciner, an energy sector billionaire who owns *Haberturk* TV and the *Haberturk* newspaper, and Yildirim Demirören, the CEO of an oil, gas, tourism and public works conglomerate who bought the prestigious big-circulation daily *Milliyet* in 2012. Other media outlets have been bought up by pro-government oligarchs with disastrous consequences for media freedom. *"Editorial content is strictly controlled by media bosses who have other business interests and are submissive to the government,"* said Baydar.

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1. *Behind a Billion Screens: What Television Tells Us About Modern India,* Harper Collins India, 2015

2. In the *International New York Times,* 14 May 2015

3. In the *New York Times,* 19 July 2013

"With, or more often without, any direct government intervention, they impose self-censorship on a daily basis and silence colleagues who defend basic journalistic ethics."

Furious with the way *Milliyet* "grovelled" before the government after it was taken over, the newspaper's star columnist, Hasan Cemal, stormed out in 2013. The same year, thousands of Turks took to the street in protest against the government's growing authoritarianism. Dubbed "Occupy Gezi" after the Istanbul park that became its symbol, the protest movement held the international media spellbound for several weeks until forcibly crushed by the police. While all this was unfolding, Turkey's leading TV channels contented themselves with broadcasting animal documentaries or debates on completely unrelated subjects. Their owners must have had other things on their minds.

CAPITALISM WITHOUT DEMOCRACY

President Erdogan did not invent any of this. He followed the trail blazed by many other authoritarian leaders throughout the world – in Africa, Asia and Russia. Their model is capitalism without democracy. For journalism, this means the emergence of media empires run by oligarchs who have pledged allegiance to the political establishment and who simply appear to be obeying capitalist laws of supply and demand and responding to the need for technological development. In fact, they are the ones exercising strict control over news coverage – when journalistic content is not simply replaced by entertainment. Even in Hungary, a European Union member, the right-wing populist prime minister, Viktor Orban, openly favours the acquisition of privately-owned media outlets by businessmen who are his allies, because it allows him to consolidate his grip on the country's press.

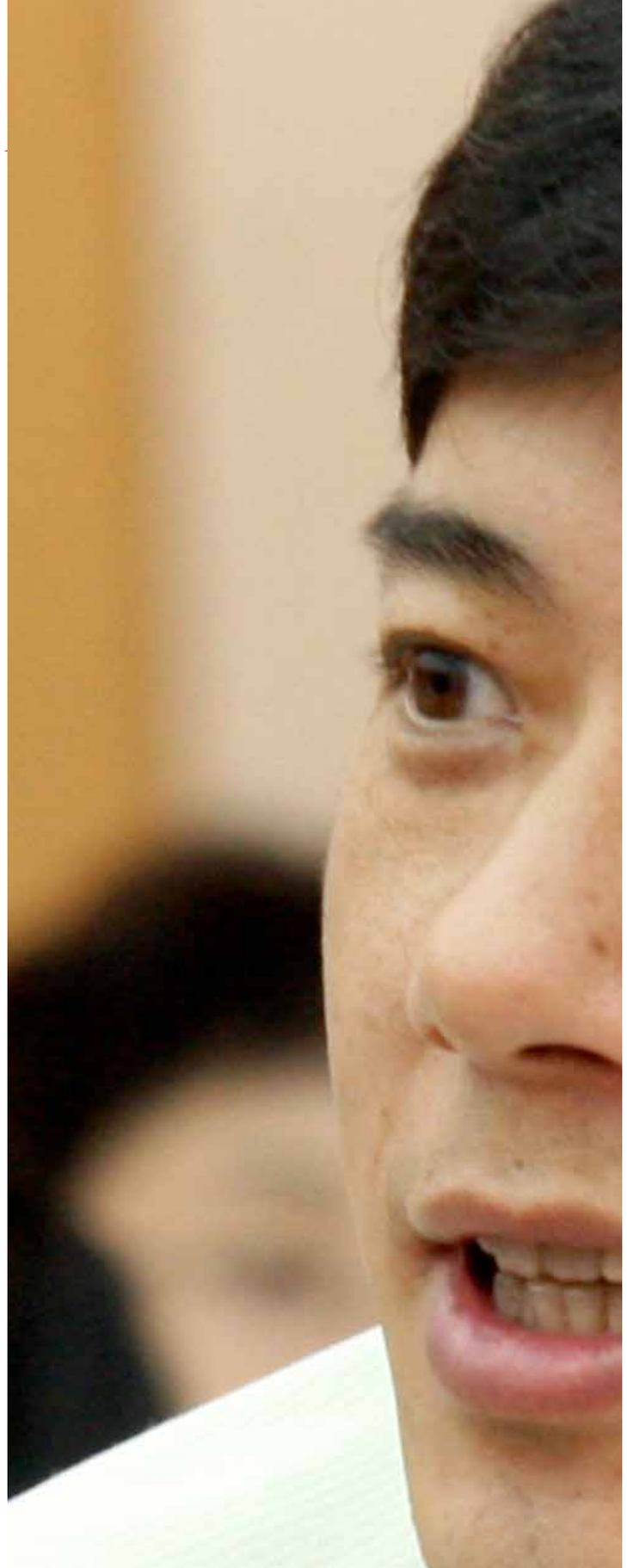
For a long time, people thought that the emergence of social networks and the steadily-growing impact of online media offered a sure-fire way to bypass such veiled censorship. They were wrong. In countries such as China, the authorities seem to have achieved what was previously regarded as impossible – exploiting the Internet's economic

"In Turkey, with, or more often without, any direct government intervention, they impose self-censorship on a daily basis and silence colleagues who defend basic journalistic ethics"

advantages while closing off its free-speech possibilities. And how? Here again, thanks to the complicity of tycoons who make a point of keeping the regime happy in return for a favourable attitude towards their business activities. Li Yanhong, for example, the CEO of the Chinese search engine Baidu and China's sixth biggest billionaire, boasts of having "booted Google out of the country" at the Communist Party's request. A willing collaborator in the "self-regulation" advocated by Beijing, his search engine blocks access not only to pornography but also to anything related to Taiwan's independence, the Dalai Lama, or the 1989 Tiananmen Square massacre. Baidu is "a state-sponsored monopoly," the news agency *Bloomberg* says[1].

True to its "cyber-sovereignty" principles, Beijing wants not only to control online content but also to have access to Internet user data. Like Google, other international Internet giants such as Facebook, Twitter and Amazon have never succeeded in breaching the wall of Chinese censorship. Their Chinese equivalents such as Weibo, Tencent, Sina and Alibaba, all owned by extremely wealthy pro-government businessmen, are therefore able to reign supreme over the world's biggest virtual market on condition that they never forget to return the favour to their Communist Party protectors.

China's "privately-owned" traditional media have not been spared the process of owner control. And people like Jack Ma are not exactly media sector novices. This billionaire already had shares in *China Business News*, websites, blogs and video-sharing platforms. In June 2015, he teamed up with Li Ruigang, another well-known emblem of the symbiosis between politics and the media business in China, to create a Chinese business news agency capable of competing with *Bloomberg*. The head of the powerful, state-controlled Shanghai Media Group (SMG), Li Ruigang is a favourite partner of multinationals seeking a foothold in the Middle Kingdom. A senior



Li Yanhong, CEO of Baidu
STR / AFP

member of the Shanghai Communist Party, this billionaire has entered into strategic partnerships with companies such as Disney, Warner Bros and News Corp to produce and distribute films and entertainment programmes in China.

Now that it has been snared by Jack Ma, what fate awaits the *South China Morning Post?* Business logic is far from being the only motive for this Chinese tycoon's appetite for media acquisitions. Local observers regard the price that Alibaba paid for the leading Hong Kong daily, 266 million dollars, as twice its real value. They see it as an additional reason for suspecting that the new owner will want to bring this outspoken newspaper into line, regardless of the cost.

« Jack Ma is acting as a political proxy for the Chinese government and its goal of silencing the last independent media voices in the territory. »

There was no clear economic benefit but the investment was worth it if your aim was to get control of the local media, said Francis Lun of the Hong Kong brokerage firm Geo Securities[2]. Hong Kong University political scientist Willy Lam is convinced that Jack Ma is acting as a political proxy for the Chinese government and its goal of silencing the last independent media voices in the territory, which has had semi-autonomous status since the United Kingdom handed it back in 1997. It was hard to imagine him tolerating negative articles about the Communist Party or the Chinese political system in general, Lam said[3]. Lam knows what he is talking about because he ran the newspaper's China's service for several years, until he resigned in the face of mounting pressure.

Another Hong Kong media owner, Jimmy Lai, is still holding out. The publisher of several newspapers and magazines, including *Apple Daily* and *Next*, Lai backed the 2014 protests known as the Umbrella Revolution. The Chinese authorities were extremely irritated by these peaceful demonstrations calling for more democracy, and Lai became their bugbear. Molotov cocktails were thrown at his home. He was physically attacked several times. His printing press was sabotaged. And distribution of his newspapers was blocked. In an interview for Agence France-Presse in June 2015, Lai said Next Media would not change as long as he was alive and that he was more concerned about what his children or grandchildren would think of him than making lots of money. Lai has clearly not chosen the right side. And the problem is that few media owners, especially those with other business interests to be promoted by doing the government political favours, are choosing the less comfortable side.

1. *"How Baidu Won China"*, 11 November 2010

1. Agence France-Presse, 14 December 2015
2. In *The Wall Street Journal*, 25 November 2015

Oligarchs who came in from the cold

Talk of "oligarchs" inevitably revives memories of Russian capitalism's crazy initial years when a select few took advantage of privatization, including media privatization. It was a time of ruthless infighting as well as rediscovered freedom, a period that came to a sudden end when Vladimir Putin took over and began an era of strict oligarchic loyalty to the Kremlin.

A FEW YEARS AGO, "oligarch" was a derogatory term used only in the former Soviet Union and especially Russia, where it was spawned by the fall of the Berlin Wall, the ensuing liberalization of the economy, and the emergence of an oligarchy of businessmen who made overnight fortunes in the often murky process of privatization. Why them and not others? Because their proximity to political power made them the "chosen ones" in the redistribution of the country's wealth. This process continued through Boris Yeltsin's two terms as president (1990-1999), which were marked by unprecedented freedoms for the Russian people, the dismantling of Russia's massive military-industrial complex, an economic crisis and impoverishment of much of the Russian population.

Gazprom's annual convention, Moscow, June 2010
Alexander Nemenov / AFP

So it was the "crazy years" of Russian capitalism that gave birth to the term. Everything changed quickly when Vladimir Putin took over in 1999. The new Russian authorities set about making a very drastic distinction between oligarchs who were loyal to the Kremlin and those who were not. The latter were often the owners of the country's first outspoken media outlets. What has happened in Moscow during the past ten years offers an insight into the future of "oligarchic" media.

FLAMBOYANT OLIGARCHS OF THE 1990S

Few members of the general public will remember Boris Berezovsky and Vladimir Gusinsky now but they were two of Russia's best-known oligarchs in the 1990s. They were extremely wealthy and invested massively in Russia's first independent media outlets, buying up TV stations and newspapers in order to

wage a ruthless media war against each other. Ownership of media outlets was one more way of extending their already considerable influence over public opinion and, above all, over Russia's new leaders.

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Pictures of the exiled Russian billionaire Boris Berezovski in a dustcart during a pro-Kremlin demonstration in Moscow, April 2007
Natalia Kolesnikova / AFP

Regarded as the power behind the scenes at the Kremlin and as Boris Yeltsin's kingmaker, Berezovsky had invested in the former public broadcaster *ORT*'s first channel, turning it into a modern and fast-footed news outlet. His main rival, Gusinsky, created Russia's first independent TV station, *NTV*, which quickly won over the public with its incisive and critical reporting. Each went on to build media empires by acquiring prestigious outlets. Berezovsky's acquisitions included the *Nezavisimaya Gazeta* and *Kommersant* daily newspapers. Gusinsky's included radio *Echo of Moscow* and the *Segodnya* and *Itogi* newspapers.

During this era, "privately-owned" media were synonymous with journalistic freedom and reporting of a quality that contrasted starkly with the fare provided by the state-controlled media. These privately-owned outlets gave former Soviet citizens their first glimpse of the watchdog role that the media could play in a society in transformation. For the first time, the public had access to good investigative journalism, war reporting and revelations about the totalitarian past. Despite the fierce competition between the media oligarchs, their personal ambitions and their murky relations with the regime, many observers do not hesitate to talk of a "golden age" of Russian journalism. The best example was undoubtedly the excellent media coverage of the First Chechen War (1994-1996), which brought the reality of the fighting into Russian homes and showed the Russian public how their soldiers were getting bogged down in the Caucasus. The Second Chechen War (1999-2000), on the other hand, was largely invisible.

KREMLIN REGAINS CONTROL

Meanwhile, everything was changing in the Kremlin. Ailing, infirm and depressed, Yeltsin cut short his second term. On 31 December 1999, just a few hours before the start of the new millennium, he announced his resignation and transferred full powers to a former KGB colonel called Vladimir Putin. A member of Yeltsin's inner circle, Putin happened to be prime minister at the time, a position rarely held by any one person for more than three months during that period. He owed his promotion to Berezovsky's enthusiastic recommendation, which was ironic because the protégé lost no time in turning on the man who claimed to have been his mentor. He also systematically and relentlessly targeted all of the other Yeltsin-era oligarchs who dared to defy or try to replace the government.

The Kremlin's new master quickly made it clear to the oligarchs that the rules had changed. Those that wanted to continue doing business in Russia would have to stop meddling in "politics," which in Russia was understood to include the media. Recalcitrants had to choose between exile, punitive tax adjustments or prison. The most famous of them, Mikhail Khodorkovsky, ended up spending nine years behind bars. A clear distinction was drawn between good oligarchs, those who pledged allegiance to the Kremlin and the others. The media owned by Berezovsky and Gusinsky were the first victims of this "purge." Tax controls, raids by armed men, searches and arrests forced their bosses to flee the country.

After an eventful stay in Spain in 2000, where he was arrested on the Kremlin's orders, Gusinsky found refuge in Israel, from where he gradually disengaged from all media involvement in Russia. It was Berezovsky's turn to flee the following year. He went to London, from where, unlike his former rival, he kept on trying to destabilize the new Russian regime by every possible means. His exile proved eventful. Attempts were made to extradite him. He was tried in absentia in Moscow. People close to him died mysteriously. And finally he also died mysteriously. He was found hanged in the bathroom of his home in Ascot, 40 km west of London, on 23 March 2013. The British police have still not ruled out the possibility of foul play.

The media empires of these two oligarchs were meanwhile dismantled without further ado. Renamed *Pervyi Kanal* (First Channel), the former *ORT* is now regarded as the leading vehicle of Kremlin propaganda. The very popular *NTV* has ended up in the hands of Gazprom. Its leading journalists have moved on and its programming has been reoriented towards entertainment and sensationalistic talk shows.

A PRO-GOVERNMENT OLIGARCHY

The spectacular arrests, searches and trials of media owners who defied the government ended the independent media boom. Throughout this period, the Kremlin got "reliable" pro-government people to recover control of dissident media, according to Carnegie Moscow Centre researcher Maria Lipmann[1]. Media with "societal and political" content were especially targeted, she says. The operation was made much easier by the fact that most of their owners were happy to get rid of these media outlets, which were now seen as a potential risk for their businesses and even their physical safety.

Most of the media components of the opposition oligarchs' dismantled empires were snapped up at bargain prices by the Russian natural gas conglomerate Gazprom. In the process, this state-owned company, the Putin regime's formidable commercial wing, became Russia's biggest media owner. Gazprom-Media Holding now has a media quasi-monopoly that includes *NTV*, newspapers, magazines, radio stations and websites. It also includes *Echo of Moscow*, the prestigious radio station once acquired by Gusinsky, dubbed the "fugitive oligarch" by Putin.

Vladimir Potanin, a super-rich oligarch whose relations with the Kremlin slumped in the early 2000s, prudently shed his Profmedia group, which included the big circulation dailies *Komsomolskaya Pravda, Izvestia, Ekspress Gazeta* and *Sovetsky Sport*. It too was acquired by Gazprom-Media Holding. For the sake diversification and convergence, Gazprom bought cinemas and film distribution companies as well. Berezovsky's prestigious newspapers also ended up in the hands of Kremlin loyalists. *Nezavisimaya Gazeta* was acquired by Konstantin Remchukov, a pro-Kremlin oligarch, in 2005, when he was an economy ministry adviser. *Kommersant* was sold in 2006 to Alisher Usmanov, an Uzbek-born businessman who heads a Gazprom investment company. Suspecting that the takeover did not bode well for freedom of expression, *Kommersant* editor Vladimir Borodulin resigned.

The leading Russian business daily *Vedomosti*'s sale is the latest episode in the long story of declining media independence. Because of a new law restricting foreign investment in the media, *Vedomosti*'s two biggest shareholders, the *Financial Times* and *Wall Street Journal*, had to sell their shares to a local oligarch at the end of 2015. A few weeks before that, German media tycoon Axel Springer pulled out of the Russian market, handing over the management of the Russian offshoot of *Forbes* to Alexander Fedotov, an establishment ally who immediately announced that the famous magazine would not meddle in politics.

Alisher Usmanov, at the World Economic Forum in Davos in January 2013
Johannes Eisele / AFP

1. In "La scène médiatique en Russie," Cairn, 2007

PORTRAIT

Konstantin Malofeev, "orthodox oligarch"

Konstantin Malofeev's wealth serves an ultra conservative ideology
D.R.

SOME OLIGARCHS are doing very well in Vladimir Putin's Russia. Their businesses are flourishing despite the international sanctions and they are even investing in the media. But unlike their ill-fated predecessors, they are a long way from provoking the Kremlin's anger. These businessmen include Konstantin Malofeev, 41, who heads a discrete investment fund that used to be called Marshall Capital and was recently renamed Tsargrad ("City of the Tsars"). *Tsargrad TV* is also the name of the TV channel he launched in May 2015 with the aim or "rechristianizing Russia." As well as rich (his fortune is put at 2 billion dollars), Malofeev is also pious and patriotic. He loves Russia and especially loves its current leader, whom he showers with praise. *"Thanks to Putin, we have become a great country again,"* he says[1].

In his own way, Malofeev is trying to contribute to the Russian renaissance. He is a patron and philanthropist. He is even called the "Russian Soros," in allusion to the US billionaire who has funded a number of civil society initiatives in Eastern Europe. Malofeev sees himself as a counterweight to US and European soft power, which – in his view – has a political agenda and leads to moral decadence. This is how he views the purpose of his TV channel, *Tsargrad TV*. *"The western media twist the facts to the point that they are no longer recognizable. We address the Russians and describe the world from an Orthodox viewpoint*[2]*."*

To help achieve his goals Malofeev has even hired one of the founders of *Fox News*, US producer Jack Hanick. He often refers to *Fox News* when describing his ambitions for *Tsargrad TV. "We started from the idea that there are many people who adhere to traditional values and they absolutely need a voice,"* he said in a recent interview for the *Financial Times*[3].

> *"We address the Russians and describe the world from an Orthodox viewpoint"*

Malofeev is not content with broadcasting the gospel in Russia. He is also already extending into other Orthodox countries such as Bulgaria and Greece. He is proud of having invested in *Hellas Net*, a religious TV channel in Greece. In Bulgaria, he is "contributing to the recovery" of *TV7*, a TV channel owned by Tsvetan Vassilev, a Bulgarian banker currently wanted by his country's authorities. But according to the Sofia media, his motives are not just spiritual. He told the Bulgarian business weekly *Kapital* that he was ready to help realize two gigantic Russian construction projects that have been frozen at the European Union's request – the South Stream gas pipeline and a nuclear power station at Belene on the Danube. *"The small countries on the Russian periphery should be delighted by the Russian empire's renaissance, because they have everything to win from it,"* he said[4].

Observers have noted that he sees eye to eye with the Kremlin's master on all these subjects. The magazine *Valeurs actuelles*, which was clearly charmed by him, described him as "the man who has Putin's ear[5]." But is it the other way round? The Ukrainian conflict has given Malofeev an opportunity to put his ideas into practice. He admits to having sent humanitarian convoys to the Russian population in eastern Ukraine. But according to Brussels and Washington, he also funds the Russian separatists. Two of the most visible leaders in the self-proclaimed Russian republics in eastern Ukraine, Alexander Borodai and Igor Girkin (Strelkov), used to be members of Malofeev's staff in Moscow.

Malofeev does not bother to deny the claims. Instead he is proud of being the target of international sanctions over his involvement in the Ukrainian conflict because, in his views, it proves his "patriotism." The sanctions are even a "blessing" because they allow him to "break the parasitical links with the West" and contribute to Russia's economic expansion[6]. International isolation does not seem to bother the "Orthodox oligarch" either, and he boasts of his excellent relations with well-known conservatives throughout the world. In France, his friends include Marine Le Pen and Philippe de Villiers, with whom he has even teamed up to build two theme parks in Crimea and Moscow based on the Puy du Fou theme park in western France. And what will they be called? "City of the Tsars."

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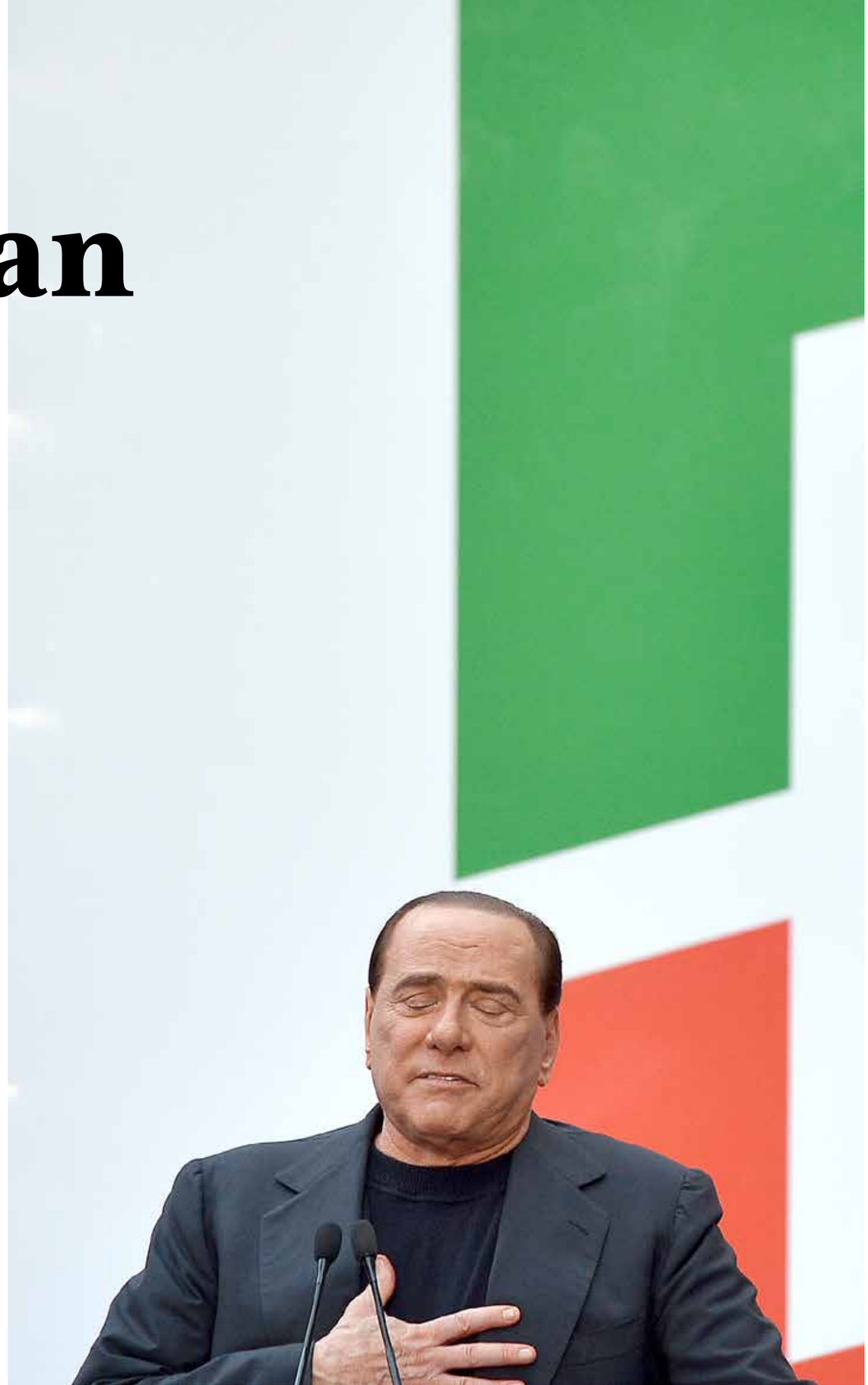
1. Interview for the business weekly *Kapital* (Sofia), 2 November 2015
2. Idem.
3. "God's TV, Russian style," 16 October 2015
4. *Kapital,* 2 November 2015
5. *Valeurs Actuelles,* 2 October 2014
6. *Kapital,* ibid.

Can a politician be a regular media owner?

Money, politics and media... The conflict of interests between politics and ownership of a media outlet should be obvious. How can you be both a political actor and an objective observer of politic developments at the same time? Nonetheless, politicians who are also media owners are to be found the world over. Their particularity is fully accepting this conflict of interests and even taking advantage of it.



Silvio Berlusconi
August 2013
Gabriel Bouys / AFP

THE TEFLON "CAVALIERE"

In Europe, the person who embodies the incestuous combination of money, politics and media in its most outrageous form is clearly the Italian tycoon Silvio Berlusconi. He is still one of Italy's richest men, with a fortune put at 7.4 billion dollars. The "Cavaliere" has not held any government position since 2011 but the publication of an authorized biography entitled *My Way* in October 2015 is seen as the prelude to a return to politics[1]. Convicted of tax fraud in 2013, at the end of a legal battle that dragged on for two decades, Berlusconi has meanwhile continued to have an impact on his country affairs via his media empire.

His "self-made man" story is now part of Italian legend. A member of parliament since 1994, and elected prime minister three times (spending a total of nine years in the position – an Italian record), the boss of the Forza Italia party is also the owner of Italy's biggest broadcast media group, Mediaset, and the majority shareholder of the Mondadori group (Italy's leading publisher of books and magazines) and the daily newspaper *Il Giornale*.

The Cavaliere has not hesitated to use this formidable strike force to defend both his political and business interests. During his three terms as prime minister, he also had a "big influence over casting and programming" at the public broadcaster *RAI*, thereby becoming almost sole master of the Italian airwaves, according to Italian journalist Gian Paolo Accordo of *Vox Europe*. This was unprecedented in the European Union. There were dismissals and purges at *RAI*, and several of its journalists criticized a climate of self-censorship. The "Berlu-style" behaviour that took hold in the media was implacable towards his critics and generous towards his fans.

1. My Way: Berlusconi In His Own Words, by Alan Friedman (Biteback Publishing, 2015).

Pockets of resistance to this media empire emerged. They included the newspapers *La Repubblica, l'Unita* and *l'Espresso*, and sometimes *RAI*'s third channel. A new, very combative, daily, *Il Fatto quotidiano*, was even launched. Italians took to the streets on several occasions to defend their media freedom. International figures, writers, artists and journalists, signed petitions protesting against the Italian prime minister's grip on the media. NGOs also protested. *"Berlusconi has not hesitated to use his political and economic power in order to try to gag news and information in Italy and the European Union,"* said a statement issued jointly by Reporters Without Borders, the European Federation of Journalists and the European section of the International Federation of Journalists.

"Berlusconi has not hesitated to use his political and economic power in order to try to gag news and information in Italy and the European Union".

Nowadays Italians are wondering and speculating about the future fate of the aging Berlusconi media empire. Which of the patriarch's many offspring will take over? Does the Cavaliere really plan to return to politics, as those close to him say? Meanwhile, his media portfolio is receiving covetous looks from the likes of Rupert Murdoch, Vincent Bolloré and Xaviel Niel. Many think that the future of the Cavaliere's Mediaset empire will involve major alliances with some of the world's other leading media sector "sharks[1]."

FRENCH INDUSTRIALIST AND SENATOR

Italy is not the only country in western Europe where a billionaire businessman and politician owns a media group. France's fifth richest billionaire, Serge Dassault heads the Dassault Group, a family firm passed from father to son that is a major player in the arms industry and in the civil and military aviation sectors. Since 2004, he has also headed Socpresse, a publishing house with several newspapers, of which the flagship is *Le Figaro*. Questions about this leading French daily's editorial independence have been asked ever since, especially as its owner is not just a major industrialist but also a right-wing politician who was mayor of a Parisian suburb from 1995 to 2009, and who has been senator for the Essonne region (south of Paris) since 2004.

Many have accused Serge Dassault of intervening in *Le Figaro*'s content when it has not been to his taste. The conflict of interests is threefold – between industrial tycoon, senator for Essonne and newspaper owner. How do his reporters cover the aviation industry or wars when they know that their boss makes hi-tech weapons and airplanes that he is trying to sell to governments?

The Association of Journalists (SDJ) at *Le Figaro* has repeatedly sounded the alarm about their owner's "interventions" in the newspaper's editorial content. They blame him for an indulgent interview with Vladimir Putin in Moscow, coverage favouring countries such as India, Egypt and Qatar that are potential purchasers of the Rafale (a fighter jet made by Dassault Industries) and a lack of enthusiasm for covering stories that reflect badly on the political right.

An additional complicating factor has been the judicial investigation into Serge Dassault in connection with elections in the municipality where he was mayor. It resulted in his being charged in 2014 with "vote buying and illegal election campaign funding", after the senate voted to lift his parliamentary immunity as a senator. This has been a big story in most of the French media except of course *Le Figaro*, which limited itself to a brief article[2].

SWISS POPULIST

Triangular conflicts are not just a Latin speciality. Christoph Blocher, a Swiss politician and wealthy industrialist who leads the right-wing populist Democratic Union of the Centre (UDC), recently got the world's attention when the UDC won Switzerland's federal elections in October 2015. His Zurich weekly, *Die Weltwoche*, has long served as an outlet for his political views, which are Eurosceptic and close to those of France's National Front (FN), and he has just named its editor, Roger Köppel, as his successor at the head of the UDC.

He had also been trying to get control of the *Basler Zeitung* since 2010 although it was at the opposite end of the political spectrum and, despite the protests of its staff, he finally managed to acquire a third of its shares in 2014. This led to the appointment of a new editor, Markus Somm, a known UDC sympathizer who also happens to be Blocher's "official" biographer. Following the departure of many of its journalists, the *Basler Zeitung* has turned into a UDC mouthpiece. Conflicts of interests are clearly not just a theoretical concern.

IN QUEBEC, THE PÉLADEAU ISSUE

Let's cross the Atlantic to Canada, where the charismatic Pierre Karl Péladeau (or PKP as he is often called in Quebec) took over as leader of the "sovereignist" Parti Québécois (PQ) in May 2015, just one year after being elected member of the National Assembly of Quebec. In other words, it was a rapid political ascent. Until then, PKP had been known principally for having inherited Quebecor, a media group founded by his father that nowadays controls around 50 regional newspapers. It was under PKP's leadership at the turn of the millennium that Quebecor acquired Vidéotron, Québec's leading supplier of cable TV content. In 2007, he went on take over Osprey Medias (which publishes mainly English-language newspapers) becoming the media giant he is today.

Péladeau resigned from all his positions in Quebecor before entering politics in 2013. But he continues to be the owner. This has not escaped the attention of Canada's journalists and, even less so, his political opponents. "*It's a major problem for our democracy to have a case like this,"* says François Bonnardel, a Quebec politician who heads the centre-right Coalition Avenir Québec (CAQ)[3]. *"We are not in Italy,"* said former minster and academic Rémy Trudel, summarizing the concerns of the political class by alluding to the Silvio Berlusconi era[4].

Serge Dassault, 2016
Eric Piermont / AFP

Christophe Blocher, 2007
Olivier Morin / AFP

Pierre Karl Péladeau, 2014
Francois Laplante Delagrave / AFP

1. See "Silvio Berlusconi, le crépuscule du patriarche," *Les Échos,* 16 October 2015, and below "Les nouveaux empereurs des médias." .

2. "Serge Dassault, partout sauf dans Le Figaro," *France-Info,* 19 November 2014

3. *La Presse canadienne,* 10 September 2015

4. *Radio Canada,* 8 October 2011.

Candidate Aécio Neves (right) during the presidential campaign in Belo Horizonte, October 2014
Yasuyoshi Chiba / AFP

The Péladeau "issue" has been addressed by the National Assembly of Quebec's ethics committee several times since he took over as PQ leader. His opponents have invited him to "choose between politics and business." Some have even urged him to sell all his shares in Quebecor. PKP has ruled this option out, saying his father left the company to him and he wanted it to remain in the ownership "of a Péladeau." He also pointed out that, as Quebecor's shares were valued at around 5 billion dollars, no one in Quebec could afford to buy it and that it would inevitably end up "in foreign hands," which would jeopardize the jobs of thousands of Canadians across the country[1]. Is this what his detractors wanted?

In an attempt to reassure his fellow parliamentarians, PKP signed a formal pledge that he would not intervene in the content of his media outlets in "any manner whatsoever." As his detractors questioned the legal value of this pledge, he undertook to entrust all of his shares to a "third party" for as long as he continued to hold political office.

Such an option exists in Canada's legislation. It was designed to address a situation in which a person holding an elected position also heads a company that might benefit from this position. Called a trusteeship, this provision had never been applied to the case of media owner, in which the problem is rather the opposite. In this case the danger is that the media owner's political career is advanced by the media he owns, that the media are put at the service of his political ambitions or positions, and that the media's reporting is subject to political interference or worse.

On 10 September 2015, PKP solemnly declared that he had fulfilled his two pledges after entrusting his Quebecor shares to a trust headed by three independent figures. This did not convince everyone and failed to dissipate all the doubts. *"We are not fooled,"* one political opponent said[2]. Many legal experts have also voiced doubts about the effectiveness of this measure in the case of PKP, who will continue to be Quebecor's "historic owner," they point out[3]. Several National Assembly of Quebec members have called for the law to be changed before the next parliamentary election in 2018 in order to avoid such inextricable conflicts of interest. Until then, the PQ's leader will continue to be Quebecor's owner..

BRAZIL, THE COUNTRY OF 30 BERLUSCONIS

The "model" bequeathed by Silvio Berlusconi seems to have a rosy future, especially in Latin America. His name has even been adopted as a descriptor for incestuous links between politics, business and the media. Brazil, Latin America's biggest nation, has its own special word for a public figure who embodies all these vices – "the colonel." It dates back to the military dictatorship of 1964-1985 but does not designate an army officer. It is used to refer to a local or federal-level politician who is also a regional media owner and (especially in the northeast) a big landowner. *"We have dozens or even scores of Berlusconis,"* says Sao Paulo University professor Eugenio Bucci. *"The country of 30 Berlusconis"* is the title of a report about media freedom in Brazil that Reporters Without Borders (RSF) published in January 2013[4].

RSF's Rio de Janeiro bureau estimates that there are around 40 Brazilian parliamentarians (deputies and senators) who directly or indirectly control at least one radio or TV station in their home state, a phenomenon sometimes called "electronic colonelism." Paulo Bernardo Silva, who was communication minister from 2011 to 2014, says: *"We have an excessive number of parliamentarians, senators, deputies, governors and ministers who are either openly the owner of a media outlet or are in a position to directly influence its activities."*

The "colonels" include Aécio Neves, who unsuccessfully challenged Dilma Rousseff for the presidency in 2014. Neves was governor of Minas Gerais from 2003 to 2010 and continues to be one of the state's senators. More discreetly, he, his mother and his sister are also shareholders in *Arco Iris,* a radio station in Belo Horizonte (the capital of Minas Gerais). Other members of his family are also media owners. This not only allows Neves to promote his political career at a reduced cost but also to ensure that his media outlets get a respectable share of the advertising that the federal government earmarks for local media.

In theory, article 55 of Brazil's current constitution, adopted in 1988, prevents elected officials from owning media outlets but this ban is rarely applied. *"It is easier to remove the president in Brazil than to withdraw a broadcast frequency from any politician,"* Bernardo Silva commented.

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1. *Radio Canada,* 26 May 2015.

2. *La Presse canadienne,* op. cit.

3. See "Péladeau: le mandat n'est pas sans droit de regard, selon des experts," *La Presse,* 13 October 2015

The royal whim

What do the Hariri family in Lebanon, the family of Saudi Prince al-Waleed and two Moroccan ministers, one related to the Moroccan royal family and the other to the emir of Qatar have in common? They all own news outlets, or media empires dedicated to their own glorification or prestige. When news and information depend on the royal whim, it's a mixture in which journalists' independence is often the first victim.

THE STORY OF THE MEDIA is often one of ego and prestige -- of a monarch, a political dynasty, a religious community or an entire country. Is the television station *Al-Jazeera,* which has revolutionized news and information in the Arab world, the voice of Qatar, or is it the mouthpiece of the princely al-Thani family, which has ruled for nearly 150 years over the destiny of the small Gulf country?

And what about its Saudi rival *Al-Arabiya?*

Editorial judgments take second place to other considerations that are more or less explicit, such as political or financial influence, personal ambition or the settling of scores. This is true of some of the major news organizations in Africa, the Middle East and the subcontinent which were created for the purpose of promoting the interests of a monarch, a family or a tribe.

It is also a way of controlling the media in the private sector, using family oligarchies close to the regime or, as is the case in most of Gulf

Qatar's sheikh Ahmed bin Jassem al-Thani, at the Al Jazeera's 15th anniversary ceremony in Doha, November 2011
KARIM JAAFAR / AFP

states, which themselves embody the regime from generation to generation. When news and information depend on the royal whim, it is a mixture in which journalists' independence is often the main victim.

THE BEIRUT CLIQUE

Business, politics, the media... in Lebanon, generally considered one of the most democratic countries in the Arab world, journalists, with a few exceptions, are co-opted to serve the ambitions of their bosses. This is even more worrying when the boss is also a major player in local politics. Such is the case with the Hariri political and financial dynasty, well known for its close links with France.

The saga of the family, which made its fortune in the construction industry, is linked closely with the recent history of Lebanon. Rafik Hariri served as prime minister five times between 1992 and 2004. One of his sons, Saad, held the same position between June 2009 and January 2011 before returning to parliament.

"The programming of the channel reflected the political and economic vision of Rafik Hariri"

Today he leads the Future Movement, the political party founded by his father, which is a key player in Lebanon's complex political and economic chequerboard. The fortune of the Hariri clan, comprising Ayman, Saad, Bahaa, Hind, Fahd and their mother Nazik, is estimated at $10 billion.

The family is at the head of a veritable media empire, Future, which includes the television station Future TV (*Al Mustaqbal* in Arabic) and its smaller sister station *Ehkbariat Al-Mustaqbal,* which broadcasts rolling news, and the Paris-based station *Radio Orient*. It also holds shares in other media organizations, including 27 percent in the prestigious newspaper *An-Nahar,* owned by another prominent Lebanese family, the Tuenis.

Since the Future group was created in 1993, it's main goal has been to defend the political and financial interests of the Hariri family and also those of the Sunni religious group to which it belongs. During the prime ministerial terms of Rafik Hariri, Future Media outlets, particularly its television station, were used as *"a formidable promotional instrument with which to showcase the actions and initiatives of the government presenting the country as a haven of civil harmony to attract Arab tourists and foreign investors"*, in the words of Lebanon expert Jamil Abou Assi[1].

"... The programming of the channel reflected the political and economic vision of Rafik Hariri," Assi writes, noting that self-censorship is the rule on some topics, such as the Syrian presence in the country.

The Hariris have made a number of dramatic u-turns on Syria and the staff at *Future TV* have had to adapt or lose their jobs. In the 1990s, journalists were asked not to criticize the "brotherhood and co-operation" agreement with Damascus signed by Rafik Hariri. After he was killed in 2005, allegedly by pro-Syrians in Lebanon, they were then urged to attack the government of Bashar al-Assad and its Lebanese allies in the strongest terms.

This was the case until Saad Hariri paid a fence-mending visit to Damascus in December 2009, said to have been ordered by the family's Saudi mentors. Journalists working for the Hariri media had once again to change tack from one day to the next.

"During a meeting with the channel's executives on his return from Damascus, Saad Hariri not only demanded that reporting hostile to Syria be brought to an end, but that the same treatment normally reserved for Saudi Arabia be extended to the Syrian regime," according to Assi.

TV host Lina Dughan Nasser, of Future TV, May 2008.
In the background, a portrait of Rafiq Hariri
Joseph Barrak / AFP

THE ROYAL WHIM

Saudi Arabia is the second most important country to the Hariris. It was where their father made his fortune and, unusually, was granted citizenship. The family continues to have close personal ties (Saad's wife is Saudi), as well as financial and political relations, with the Saudi kingdom. It would be out of the question for any of Future Media's many outlets to ruffle the feathers of the royal family in any way.

MOROCCO: "KING'S MUSKETEERS" AND MEDIA OWNERS

The Moroccan monarchy embodies absolute power, but the country has also been ruled for centuries by a wealthy elite whose representatives share out the top jobs in government and public and private corporations. Ministers and media bosses almost always belong to one of these families, such as the Chorfas, Fassis or Oulemas, who run the kingdom's affairs alongside the monarch. Two of King Mohammed's current ministers, Moulay Hafid Elalamy, minister of industry, trade and new technologies, and Agriculture Minister Aziz Akhannouch, take this a step further – they are both "king's musketeers" and media owners.

Elalamy was appointed to the second government of Prime Minister Abdelilah Benkirane in October 2013 and is first of all a successful businessman. Known by his initials MHE, is of Sharifian descent (like the royal family) and has the 31st largest fortune on the African continent. He owns the financial daily *Les Inspirations Eco,* online successor to *Les Echos quotidiens,* which he uses regularly to promote his ministerial activities.
In 2012, he set up the first Moroccan fund devoted entirely to the media sector, within his main holding company, Saham. The Media Network Fund has a budget of 4.6 million euros and its goal is to acquire shares in media companies that have good prospects for growth. It is now the main shareholder in the prestigious French-language monthly *Zamane.*

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1. **"Future TV : entre capitalisme et communautarisme", Ina Global, 8 September 2010.**

Elalamy is known for his predatory business activities and has tried to create a media barrier to protect himself against his detractors, according to the Moroccan magazine *Le Temps*[1]. When he was appointed to the government some commentators in the kingdom asked whether he should resign as head of Saham. *"It doesn't look good to occupy the position of minister at the same time as running one of the country's highest-profile conglomerates,"* the weekly *Tel Quel* commented[2]. The minister appears unconcerned by the conflict of interest. The businessman Aziz Akhannouch, minister of agriculture and fishery since 2007 (reappointed in 2012), heads the media group Caractères. The publications of this small media empire include the weekly La Vie éco, the daily newspaper *Aujourd'hui le Maroc,* and the magazine *Femmes du Maroc* among others, powerful weapons when it comes to promoting his activities and his businesses.

"It doesn't look good to occupy the position of minister at the same time as running one of the country's highest-profile conglomerates,"

Saudi prince Al-Walid ben Talal Al-Saoud, press conference for the launch of AlArab channel, Riyadh, September 2011
FAYEZ NURELDINE / AFP

"You will never read anything negative about him in La Vie éco, *the country's main economic newspaper",* said one Moroccan journalist. The man in question boasts that he has "never set foot" in most of his newsrooms, but he sometimes puts pen to paper to respond to his critics -- in the pages of his own newspapers, naturally.

These conflicting interests have never been really debated in the country, perhaps because Moroccans know that Akhannouch is a close associate of King Mohammed's, whom he invites to dine with him, a rare privilege in the kingdom.

The family, members of the Soussi tribe from Berbères in the southern plains, has come a long way since they moved to Casablanca in the 1930s and opened the kingdom's first service station. Today their fortune is worth $1.7 billion, making them the second richest family in the country.

ARAB PRINCES BESOTTED WITH THE MEDIA

Among the offspring of the oil dynasties, Al-Waleed Bin Talal bin Abdulaziz al Saud, Is frequently talked about. A wealthy Saudi prince, who is at loggerheads with some of the royal family, said last year that most of his fortune would henceforth go towards charitable causes. However, a few months later Al-Waleed became the second biggest shareholder in Twitter, a holding that had a hint of revenge for the technology freak, who had been mocked by major international news organizations for his frivolous, even erratic, nature.

Like many Gulf princes and emirs, Prince Al-Waleed has a soft spot for the media. His company, the Kingdom Holding Company, has investments in many news organizations and communications groups, including Rupert Murdoch's News Corporation. Al-Waleed also heads his own empire, Rotana, which has the main record label in the Middle East and also owns a number of television stations and a magazine. He has a 19 percent share in the Lebanese newspaper *An-Nahar*.

In the view of observers, these outlets were useful in helping him to distance himself from the official policies of the Riyadh government, and also to flatter his own ego. For example, the prince likes to be invited to appear on the television stations that he owns to appeal directly to the Arab public. In February last year, he tried to launch a Bahrain-based pan-Arab television station, *TV Al Arab*. However, the experiment lasted just 24 hours: the station closed and its journalists were fired with no explanation whatsoever.

Others were more successful. *Al Jazeera,* launched 20 years ago in the Qatari capital, Doha, became the most watched television station in the Arab and Muslim world, thanks to the cheeky approach taken by its journalists, especially towards the United States, as well as their professionalism and not least because of the almost unlimited resources put at their disposal by the emir of Qatar, Sheikh Hamad bin Khalifa al-Thani. Sheikh Hamad has since abdicated in favour of his son but remains the biggest shareholder in the station, a sign of the importance he attaches to his pet project, which has upset the old order in the Arab media.

Over the years, the station has also shown the limitations of its independence, for example in the way it has covered for the Muslim Brotherhood in Egypt, and more generally for those behind the Arab Spring. However, its unconditional support for President Mohamed Morsi, who was overthrown by the army, did not find favour with all its journalists. In 2013, several announced their resignation live on camera from Cairo, expressing their disagreement with the editorial line imposed by the sheikh. In addition, the station, which now broadcasts in Arabic, Turkish, English and Serbo-Croat, carefully avoided the subject of what was going on in its home country of Qatar.

The growing prestige of *Al Jazeera* could not go unanswered by the Saudis. In February 2003, Riyadh announced it was launching *Al Arabiya TV,* created with the explicit goal of trumping its Qatari rival. The Saudi kingdom entrusted the mission to a wealthy businessman, Waleed Al Ibrahim, with family and business links to the royal family. One of his sisters was married to the late King Fahd and two others married a prince and a minister.
Waleed Al Ibrahim already had a track record in television, having launched the pan-Arab station *MBC* in London in 1993, half-owned by Prince Abdul Aziz Bin Fahd, known as much as his father's favourite son as for his luxurious lifestyle. According to observers, he has the final say over the content of the media outlets incorporated under the umbrella of *MBC,* which has become the cornerstone of a veritable media empire.

1. "L'éveil du prédateur", 1 June 2010

2. "Moulay Efid Elalamy, l'enfant terrible de la finance", 5 December 2013

Al Arabiya is run on the same lines as the main western television stations, taking *CNN* as its model. Its journalists carry out in-depth investigations and interview leading international politicians – for example President Barack Obama in February 2009 – but not Saudi leaders. Saudi Arabia is not subject to investigation by the station's journalists.

Offices of *Al Arabiya* channel in Dubai in 2003
Patrick Baz / AFP

Al Arabiya has taken a position on Egypt that is diametrically opposed to that of its Qatari rival *Al Jazeera,* fully supporting the military coup against the Muslim Brotherhood government. In addition, the station's management had no qualms about firing one of its star reporters, Egyptian Hafez Al Mirazi, after he expressed doubts about *Al Arabiya's* editorial position on his country.

A young American journalist, Courtney C. Radsch, who is now Advocacy Director for the Committee to Protect Journalists, hired in 2008 to run the station's English-language website, was dismissed for quoting reports in the Australian media highlighting possible safety concerns in Emirates Airlines.

This is typical of such "princely" news organizations. With access to almost unlimited resources and at times superficially professional, they exist nonetheless to flatter someone's ego, promote a business or even an entire country to the detriment of another, not to provide news and information in the traditional sense.

They are toys in the hands of oligarch princes, who play with them as they wish and can break them at a moment's notice, depending on the ups and downs of their political alliances, or even their own mood.

MEDIA APPETITE OF THE AMBANI BROTHERS GIVES CAUSE FOR CONCERN IN INDIA

Their father was known as the "prince of polyester" during his life. He began as a small-scale textile trader in Gujarat and left his sons Anil and Mukesh one of the biggest conglomerates in the world, Reliance Industries Limited (RIL). The group, specializing in the petro-chemical industry, later moved into mass retail, pharmaceuticals, telecoms and more recently the media.

Journalists recall its aggressive, even brutal, impact on the media industry. In 2014, Mukesh Ambani acquired the existing media empire *Network 18* in questionable circumstances. Among other things, the company owned some 30 television stations, including the local franchises of *CNN* and *CNBS,* as well as websites and magazines including *Forbes India*.

In the wake of the takeover, the entire staff – journalists and admin personnel – resigned on

The new editorial policy of the Ambanis was clearly one of leisure and "infotainment"

the grounds that there was no guarantee of editorial independence.

Forbes editors received a curt thank-you from the new owners. The new editorial policy of the Ambanis was clearly one of leisure and "infotainment", portraying the glamourous lifestyle favoured by local tabloid papers.

Anil Ambani, press conference in 2006. Below, his brother Mukesh at an economic forum in Mumbai in 2011
Indranil Mukherjee / AFP

The Ambani brothers, who plan to launch 4G in India, have continued to make inroads in broadcasting and cable, thanks to convergence with telephony. They now control some 27 percent of media outlets in the country, grabbing a fair-sized share of a market traditionally in the hands of an oligopoly of some 10 owners.

The academic and journalist Ingrid Therwath speaks of a "predatory strategy" that undermines press freedom in India, which has suffered from a number of scandals and the increasing control of big media owners over content[1]. The most worrying thing about the Ambani brothers is their active support for the nationalist policies of Narendra Modi, who was elected prime minister in 2014. According to Therwath, there are reports that they financed his campaign, noting all have their roots in the state of Gujarat.

1. Interview with Reporters Without Borders (RSF)

The new media emperors

Financiers, telecoms tycoons, leading industrialists and children of the Web – all have used new technology to make their fortunes. What these new oligarchs have in common is that they are rich enough to buy their way into top international media organizations. Some say they do it so they can earn even more money, while others say it is to save them from bankruptcy. Can they be trusted?

THEY HAVE GATE-CRASHED a sector that was highly concentrated and often tightly regulated, investing huge amounts of cash, sometimes in the millions of euros. These new emperors have targeted family empires that were running out of steam in Europe and the United States, snapping up such flagship media organizations as *The Washington Post, The Boston Globe* and *l'Express* in France.

These new media oligarchs, all from different backgrounds -- finance, industry, telecoms and new technology – have one thing in common: they are immensely rich and they do not meddle in politics, despite having many friends in the field, even if that just means being on friendly terms with the president. However, are they a threat to the independence of news and information?

Vincent Bolloré during a press conference, September 2014
Éric Piermont / AFP

Raymond W. Smith (left), CEO of Bell Atlantic, and John C. Malone (right), CEO of Liberty Media, announcing the merge of their companies in 1993
MRB / AFP

WHERE DELIVERY AND CONTENT MEET

Most of these new media bosses talk only about profit. Their approach appears to be purely capitalist. We are just businessmen, they say in essence. They explain their interest in the media as being dictated by "convergence", a fashionable strategy among leading industrialists which involves owning content, such as news and information and also sports and music events, and the production of films and games, as well as the means of distribution, such as newspapers, telecoms, television stations or video on demand. The goal is to dominate the market by offering a complete range of services.

The goal of Liberty Media is to give shareholders a return on their investment

Their mission to bring together delivery systems and content has its origins on the other side of the Atlantic, where the success of one man, John Malone, set off a chain reaction which soon reached Europe. In May last year, he pulled off a masterstroke when he bought the second biggest cable operator in the country, Time Warner Cable (TWC), for $55 billion. Nicknamed the King of Cable, the U.S. tycoon now controls a vast empire on both sides of the Atlantic which incorporates media outlets with his Liberty group, owner of Discovery, Virgin Media and Unitymedia, and cable operators TWC, Charter Communications, and Bright House Networks. This financial model is designed to break the traditional pattern of media management. According to Greg Maffei, CEO of Liberty Media Corporation some media companies exist to ensure control is passed on from one generation to another. The goal of Liberty Media is to give shareholders a return on their investment[1]. Malone is not the only one aiming for convergence in the United States. All the big names in cable and telecoms, including Comcast, AT&T and Verizon, have been shopping for media organizations, spending billions of dollars.

The Franco-Israeli businessman Patrick Drahi is often seen as a worthy disciple of John Malone, the biggest name among cable operators. Indeed, the American is both a friend and mentor to Drahi, and more recently, his competitor in the U.S. cable market with Drahi's acquisition of the operators Suddenlink and Cablevision, making him the fourth biggest cable operator in the United States.

In France, Drahi has built an unprecedented media empire in just two short years, with a presence in television *(BFM TV* and *i24news)*, radio *(Radio Monte Carlo)* and print *(Libération, Stratégie* and the *L'Express* group). He has taken full advantage of the collapse in value of media businesses, buying up the group *L'Express-L'Expansion* for some 10 million euros. He is believed to have spent between 50 million and 70 million euros to buy all the titles owned by Roularta Media in France, including *L'Expansion, Mieux vivre votre argent, Point de vue, Studio Cinélive, L'Étudiant* and *Lire.* The group earns some 650 million euros a year. In 2014, he became the main shareholder in *Libération* with an investment of 18 million euros.

The U.S. media may have hailed the risk-taking and good timing of his acquisitions on the other side of the Atlantic[2], but in France Drahi is associated particularly with cost-cutting. Under the guise of convergence and synergy, the new media mogul has clearly chosen a strategy of cost-reduction that has led to staff

cuts and the dismissal of dozens of journalists. "Editorial carnage" is how union members at L'Express see it. No-confidence motions, union meetings and strikes[3] are the order of the day. Some 125 jobs are at risk. Drahi's arrival at *Libération* led to the departure of one-third of the editorial staff. Employees on the newspapers he controls also say editorial standards have slumped, summed up on a placard raised at one of the many meetings held to protest against the new editorial and commercial policies of the group, which said: "L'Ex-presse".

Another French oligarch, the wealthy Breton businessman Vincent Bolloré, is an extreme example of the effects of riding roughshod over the independence of news and information. On his arrival at the head of the Vivendi group, salaries were slashed and several journalists left, mainly at *Canal+* and *I-télé*.
Bolloré already owned the free newspaper *Direct Matin* and the television station *D8* and had a record of involving himself in the running of the media outlets he controls, personally interfering in the choice and development of content and the selection of contributors.

"I am an industrial investor," he protested as he clearly outlined his objectives for Vivendi, which are to develop internal synergies and

A fake cover of *l'Express* in the hands of one of the employees protesting against Patrick Drahi's plans for the company, October 2015
Florian David / AFP

À gauche :
Patrick Drahi, 2015
Martin Bureau / AFP

1. "Le magnat américain John Malone redevient le roi du câble", *Le Monde,* 26 May 2015

2. "Les Américains s'entichent de Patrick Drahi, le patron français", *La Tribune,* 17 September 2015

3. *Agence France-Presse,* 25 September 2015

"Investigation, news reporting and information in general are divisive, whereas entertainment is not"

Xavier Niel, press conference of Free, January 2012
Thomas Coex / AFP

internationalise the group. *"He is interested in the media from a business point of view, to make money,"* commented media historian Patrick Eveno[1].

Eveno believes that the heads of the new media and network conglomerates represent another threat to editorial content since independent and critical news and information often lose out to "infotainment" and amusement in the quest for ever more readers, listeners and viewers.

"Investigation, news reporting and information in general are divisive, whereas entertainment is not," he added.

The first steps taken by Bolloré when he took over Canal+ and I-télé are an illustration of this: less politics and more entertainment. *"We should emphasise what unites us rather than what divides us, and aim for a global audience,"* the new head of Canal+ Dominique Delport, told the creators of the station's satirical puppet show, "les Guignols de l'Info"[2]. Subsequently, puppets of Kim Kardashian and Justin Bieber were brought in and politicians and religious leaders were out.

PHILANTHROPISTS UNTIL PROVED OTHERWISE

Based on opposite sides of the Atlantic, Jeff Bezos and Xavier Niel have similar profiles. Bezos is the founder of Amazon, the biggest online retail company, and Niel heads Free, the French cell phone operator, cable and internet service provider. Both are visionary businessmen and were early adopters of online technology, a gamble that paid off for both. Bezos' fortune of $47.5 billion now ranks among the 15 biggest in the world.
Niel started with the Minitel, a French forerunner of the Internet, he soon became a Web Web success story in France, launching first Worldnet then Free. With 10.3 billion euros to his name, he now has the ninth biggest fortune in France.
Having reached the the top of their game, these two "techies", both aged around the 50 mark, began taking an interest in media outlets, and not just any media outlet. Together with Matthieu Pigasse and Pierre Bergé, Niel bought the *Le Monde* group in 2010, which includes the TV listings magazine *Télérama, Courrier International, La Vie* and the *Huffington Post,* besides the prestigious daily newspaper, and in 2014 he acquired *Le Nouvel Observateur*.
This innovative trio, known by the initials BNP, also owns the culture magazine *Les Inrockuptibles* and the news website *Rue89*.
A nice little empire.
Niel and his associates do not seem to want to stop there. Last October, the head of Free, banker Matthieu Pigasse, and the producer Pierre-Antoine Capton created a fund specifically to buy new media organizations. Entitled Media One, the company's goal is to raise 500 million euros and it will soon be listed on the stock market.

Across the Atlantic, Bezos caused a stir in 2013 when he paid $250 million for *The Washington Post,* one of the United States' top newspapers which had been owned for decades by the Graham family. Why are these techie multi-millionaires suddenly taking an interest in these big names in the media? Is it political leverage, development opportunities or the whims of rich men?

In an open letter to the newspaper's staff just after he took over, Bezos tried to clarify things: *"The values of* The Post *do not need changing. The paper's duty will remain to its readers and not to the private interests of its owners... I won't be leading* The Washington Post *day-to-day. I am happily living in "the other Washington" where I have a day job that I love. Besides that, The Post already has an excellent leadership team that knows much more about the news business than I do, and I'm extremely grateful to them for agreeing to stay on."*[3] He concluded by saying journalism played a critical role in a free society, and *The Washington Post,* as the newspaper of the capital city, was especially important.

The influential magazine *Time* commented: *"These are the words, not of a pitiless capitalist, it would seem, but of a philanthropist who's committing his money to protect a public good."*[4] Philanthropist? U.S. newspapers concurred, especially since Bezos does not appear to be the only billionaire who wants to spend part of his fortune on preserving the integrity of prestigious newspapers.
Another example is John Henry, the maverick businessman from Boston, who used some $70 million of his family fortune to buy *The Boston Globe* and a host of smaller newspapers in New England.

1. Interview with Reporters Without Borders (RSF)
2. "Canal+, fini de rire", *M Le Magazine du Monde,* 19 September 2015
3. "Jeff Bezos on Post purchase", *Washington Post,* 5 August 2013
4. "Vanity Fair: America's Newspapers Are Getting Bought Up by Billionaires", *Time,* 6 August 2013

Jean-Marie Messier leaving court in June 2010
Bertrand Langlois / AFP

The Messier convergence disaster

Media concentration is not only dangerous for editorial independence, but is also a risky financial gamble. Combining a delivery system and content (media) is not a totally new idea. The former head of Vivendi, Jean-Marie Messier, had already tried to create multiple synergies -- film, games, music, telephony and media -- under one roof.

The experiment failed spectacularly in 2002, with losses of 23 billion euros and debts of 35 billion euros. The much-vaunted idea of convergence was a failure. Today, Messier, known by the acronym J2M, presents himself as a misunderstood visionary but acknowledges that the strategy of his successor, Vincent Bolloré[5], has worked. He believes that concentration of media ownership is unavoidable if Europe wants to remain competitive with the United States and Asia.

However, six years after the failed marriage of AOL and Time Warner in the United States, many people remain sceptical about such a strategy. The Bouygues group, which owns the French television station *TF1* and a cell phone network, is extremely wary of the idea. The telecoms operator Orange took a step backwards in 2010, abandoning a number of projects in film, sport and television to refocus on its core business.

5. "Nous allons vers un monde prodigue", interview with Jean-Marie Messier, *Le Figaro,* 8 November 2015

How can it report any criticism of Amazon when the online retail giant is the flagship company of the paper's proprietor?

Jeff Bezos, CEO of Amazon, September 2012
Joe Klamar / AFP

Right:

Entrance of *Washington Post*'s building shortly after Amazon acquired it, August 2013
Brendan Smialowski / AFP

"I see The Boston Globe *and all that it represents as another great Boston institution that is worth fighting for*[1]*",* wrote Henry, who bought the Boston Red Sox baseball team a few years earlier. *"But this investment isn't about profit at all. It's about sustainability. Any great paper, the* Globe *included, must generate enough revenue to support its vital mission."*

In France, the new owners of *Le Monde* have also been trying to reassure journalists about their intentions. Niel, for example, has made a number of statements describing the newspaper as a "joint asset" that he has helped to safeguard. *"We decided to invest in this institution, which is admittedly at times elitist, but essential, in order to save it and prevent it falling into partisan hands,"* he said[2].
Could you call it patronage? Not entirely. The declared ambition of the trio is also to balance the newspaper's books, reverse the decline in sales and strengthen the presence of the titles on the Web by betting on "bi-media". The project has also led to the appointment of new management and the recruitment of lots of young journalists. This has led to an unprecedented situation for the newspaper founded by Hubert Beuve-Méry. Its journalists must now learn how to cover stories about the media and the economy in which the billionaire Niel himself, their largest shareholder, is the central figure.

THE WASHINGTON POST AND THE "ORDEAL" OF AMAZON EMPLOYEES

Backbiting, burn-out, a punishing work rate, pressures and an unhealthy atmosphere between colleagues... all this was reported last August in *The New York Times* in a long article about the work culture for white-collar staff at Amazon[3]. The article, researched over six months and including about one hundred interviews with current and former Amazon employees, provoked heated exchanges between the company and the newspaper's bosses, whom it accused of partiality and bad faith.

The controversy was widely covered in the U.S. and international media, which referred to the "hell" and the "ordeal" endured by Amazon employees. Some pointedly noted that these allegations were published by *The Washington Post's* main competitor in the American market. However, it is *The Washington Post* that has come under close scrutiny to determine whether there has been any conflict of interest.

Two years after it was bought by Bezos, *The Washington Post* found itself in the eye of the storm. How can it report any criticism of Amazon when the online retail giant is the flagship company of the paper's proprietor? *"... The paper is strikingly missing from a major debate about one of America's most prominent companies,"*[4] commented the alternative news service AlterNet last October.

However, in the interests of truth, the newspaper did not dodge the bullet over the scandal. On 17 August, *the Washington Post* reported the allegations made by its rival in a story headlined "Is it really that hard to work at Amazon?". It also reflected the widespread reaction to the *Times* story, both positive and dubious. The coverage attempted to be cautious and balanced and each word appeared to have been carefully considered.[5]

The article made it clear that the owner of the newspaper and Amazon were one and the same, namely Jeff Bezos. On 19 October, Erik Wemple, the newspaper's widely read media critic, wrote a long post on his blog[6] on the latest developments on the story. He said Amazon's vice-president Jay Carney, former White House press secretary to President Obama and a former *New York Times* journalist, put pen to paper to try to limit the damage caused by the investigation, casting doubt on the reliability of the interviews carried out by *The New York Times*.

Wemple at one point describes Carney's attack as "underwhelming" and, after summing up the arguments on both sides, pays tribute to his *New York Times* counterparts, praising their "great work".

The Washington Post emerged rather well from a situation that was unprecedented for its journalists. Is there more to come?

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1. "Can billionaires save the American newspaper?", CNBC.com, 1 October 2014

2. *Les Échos,* 17 January 2011

3. "Inside Amazon: Wrestling Big Ideas in a Bruising Workplace"

4. "*The Washington Post* goes silent on Amazon labor abuses after its owner buys them out", *Alternet,* October 2015

5. "Is it really that hard to work at Amazon?", *The Washington Post,* 17 August 2015

6. "Amazon's weak attack on *The New York Times*", https://www.washingtonpost.com/blogs/erik-wemple/wp/2015/10/19/amazons-weak-attack-on-the-new-york-times/

PORTRAIT

Euronews: saviour from Cairo

EURONEWS, a 24-hour TV news channel that sees itself as the "Voice of Europe," was transferred to Egyptian control on 9 July 2015. Not Field Marshall Abdel Fattah el-Sisi's fortunately. Or at least not directly. The happy new owner is Naguib Sawiris, a Cairo-based billionaire who is the third richest man in Egypt. Aged 62, he heads Orascom, Egypt's biggest telecom company, which also has interests in gold mines, hotels and construction. He spent around 35 million euros to get 53% of *Euronews*. The other 47% is still held by its founders, a consortium of leading European public broadcasters that includes *France Télévisions*, *RAI*, *RTBF* and *RTS*. The European Commission also helps to fund *Euronews*' operations via various contracts.

So far no one seems to regret that an industrialist from the other side of the Mediterranean, one unknown to most of the other investors, has taken control of this European TV flagship. On the contrary, Sawiris was received with great fanfare by the mayor of Lyon in the summer of 2015 (*Euronews* being based in the Lyon suburb of Ecully). He was hailed as the man *Euronews* needed, its saviour even. *"I am the one who went to get him,"* *Euronews* president Michael Peters proudly said[1]. At first, some people voiced doubts and even regret about this "loss of European sovereignty[2]," but Sawiris must have been very convincing. *"I will not touch the channel's editorial independence,"* he said, added that *"interfering would make the channel loose its entire credibility and therefore its entire value."*

Sawiris insists that his sole aim is to make money from *Euronews*. And to that end, he is ready to contribute to its development, launch an African version to be called *Africanews*, and diversify its content. In October 2015, he inaugurated its new Ecully headquarters alongside *Euronews*' executives, who did not hide their relief at having found such a generous and understanding investor. It must be said that, despite its good ratings – it has an average of 4.4 million viewers a day – *Euronews* was struggling. Its main investors (European public TV broadcasters) were enthusiastic at the start of the 1990s, but they have slashed their participation because of the crisis in their respective countries. *Euronews* had to manage on its own, without its European support.

But even if it is ailing, *Euronews* is a great catch. It broadcasts in 13 languages, including Turkish, Ukrainian and Russian, and reaches 420 million homes in 158 countries. In Europe, it has more viewers than *CNN* and *BBC World*. What a great source of influence for an industrialist seeking new markets! The problem is that, in Egypt, Sawiris is not just a businessman. He is already the owner of several major national media outlets (including the *Ten* and *ONTV* channels) and is a major player on the national political stage. A Coptic Christian, he founded the Free Egyptians Party in 2011 – a liberal and secular party whose main goal was to resist the Muslim Brotherhood's rise in Egypt.

The Free Egyptians Party is doing very well, emerging from the legislative elections in late 2015 as the biggest single party in parliament. It is part of the "grand coalition" sought by President Sisi, whose aims so far coincide with those of Sawiris – finishing off the Muslim Brotherhood. *"We don't want to clash with the regime, we want to be heard and we want to advise the regime,"* said Sawiris, who in interviews is much more expansive about politics than business[3]. Sawiris himself is said to have drafted his party's economic programme, which is based on the German "social capitalist" model. *"Combat poverty, fix the economy, and improve public health and education services,"* he says.

***Euronews* new building in Lyons. New owner Naguib Sawiris during its inauguration in October 2015**
PHILIPPE DESMAZES / AFP

So far, only the Turks (the Turkish public broadcaster *TRT*) in *Euronews* have questioned his involvement in politics, voting against the takeover. Who exactly is the new owner of the European TV news channel? What are his real intentions? These are reasonable questions, especially given the fact that, as his detractors point out, he has not held back from using his media outlets to promote his political views in Egypt.

1. "Naguib Sawiris dévoile ses ambitions pour Euronews," *Jeune Afrique,* 16 October 2015

2. "Et Euronews passa sous pavillon égyptien," *Télé Obs,* 15 July 2015

3. "En Egypte, l'ascension politique de Naguib Sawiris," *Le Monde,* 27 October 2015

Multi-nationals that control the media

In 1983, some 50 companies controlled 90% of the US media. In 2011, they were down to just six companies. The worldwide trend to increasingly concentrated ownership is now sweeping Europe, which has turned into a media bazaar with national outlets changing hands, media flagships bought for a song and media group mergers. What does it all mean? A furious race is on for control of the production and dissemination of tomorrow's mass media.

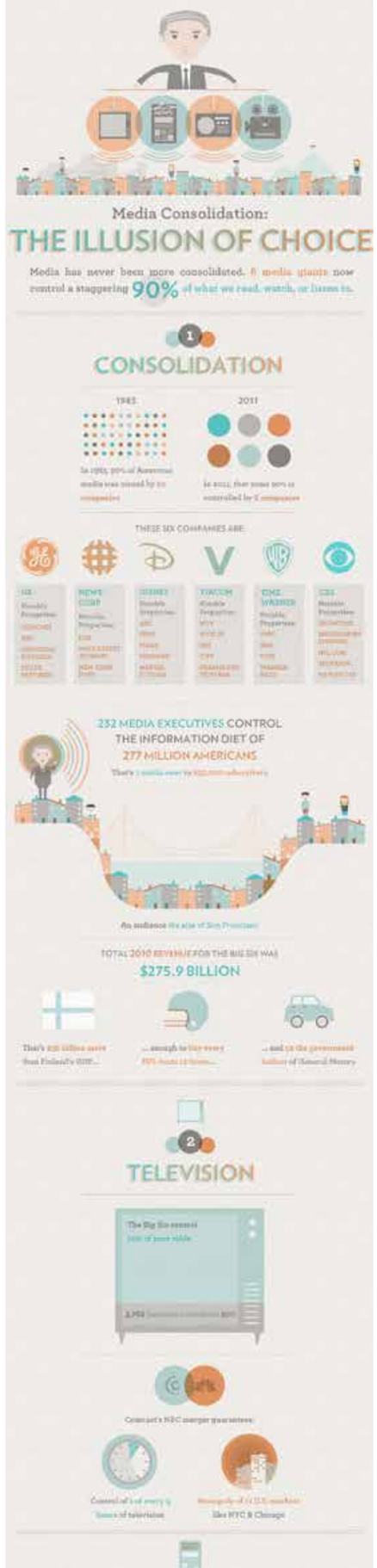
MEDIA EMPIRES now manufacture news and entertainment on a planetary scale. They call them the "Big Six" in the United States. The six corporations that control 90% of the US media are Comcast, Walt Disney, News Corporation, Time Warner, Viacom and CBS. "The illusion of choice" is the title that an American blogger called "Frugal Dad" gives to his infographic about the reign of the "Six." *"As a dad (and blogger) I'm concerned with the integrity of the news and entertainment my family and I consume every day,"* he writes. *"Who really produces, owns and airs the shows my kids are glued to every evening and which companies select the stories I read with such loyalty each morning? I've always advocated for critical*

“Who really produces, owns and airs the shows my kids are glued to every evening?”

consumption, and what could be more important than an awareness of the sources of our families’ daily info and entertainment diets?[1]*.”*

Frugal Dad’s infographic has gone viral on social networks, showing that the general public clearly shares his deep concern about the massive “consolidation” in the media sector, which is beyond dispute. In 1983, some 50 companies controlled 90% of the American media but by 2011 the number of those companies had fallen to just six. The situation is largely unchanged now. The energy giant General Electric (GE) relinquished control of Comcast in 2013, ending the repeated and often justified expressions of concern about a conflict of interest. The best-known example of such a conflict was the summary cancellation of Phil Donahue’s talk show on *MSNBC* in 2003 because of his lack of enthusiasm for the US intervention in Iraq. Donahue blamed it on *MSNBC* shareholder General Electric, whose biggest client is the US armed forces.

General Electric’s decision in 2013 to withdraw from Comcast opened up new horizons for America’s largest cable TV company. It tried to absorb Time Warner, the second largest, but the proposed merger was blocked by the Federal Communications Commission, which regulates the telecom sector. The FCC said the merger would create an oligopoly and thereby violate America’s anti-trust legislation, which dates back to the early 20th century. This legislation is unique in the world but,



Charts from « Frugal Dad » blog

paradoxically, has never had much success in preventing the emergence of gigantic conglomerates. This has been so even more since adoption of the Telecommunication Act in 1996, which opened the way to new mergers in the sector and to “cross-ownership” – owning newspapers, radio stations and TV channels at the same time.

NEWS CORP, MURDOCH’S EMPIRE

News Corporation is undoubtedly the best known of the “Big Six,” possibly because of the outspoken views of its owner, the octogenarian Rupert Murdoch. His group is doing well despite some upsets due mainly to revelations that one of his British tabloids, the *News of the World*, had been hacking the phones of celebrities and others. In November, he even established a foothold in France, investing 2 million euros in *L’Opinion*, the Paris-based daily founded by Nicolas Beytout in 2013[2]. It was a first for France and it was unusual for Murdoch, inasmuch as, via his group’s US financial news agency *Dow Jones*, he contributed capital to someone else’s newspaper.

Currently worth about 13.5 billion dollars, Murdoch is the archetypal media mogul who starts out with nothing, or almost nothing, and ends up conquering the world. It is also a dynastic story. In June 2015, the aging media emperor appointed his two sons, Lachlan, 43, and James, 42, to key positions. They are ready to take over. Murdoch’s sympathy for political conservatives and ultra-liberal economic policies is proverbial and has clearly shaped coverage of major international events, as his media empire has a presence in three continents via dozens of outlets, and not minor ones either. The voting recommendations issued by *The Sun*, a tabloid with a 3.2 million print run, can determine the outcome of elections in the United Kingdom.

European media “Monopoly”

Mobile and fixed-line telephony, Internet, TV and media – everywhere in Europe the cards are being redistributed in these increasingly interwoven sectors to the point that commentators are talking of a European “Monopoly” game. National operators are changing hands, media flagships are being snapped up for next to nothing and groups are merging. The common denominator of all this wheeling and dealing is the race to control the production and distribution of tomorrow’s media. The appetite for acquisitions is also attributable to the desire to consolidate positions vis-à-vis the new Internet giants such as Google, Apple, Facebook and Amazon, otherwise known as the GAFA, which are making life difficult for the traditional media by talking directly to the consumer without use of intermediaries, or without a TV programme schedule in the case of Netflix.

1. **“The illusion of choice,” http://www.frugaldad.com/media-consolidation-infographic/**

2. ***Les Échos*, 23 November 2015**

Front page of Rupert Murdoch's *Daily Telegraph* asking voters to get rid of the Australian Prime minister, at the beginning of the general elections' campaign, August 2015
Greg Wood / AFP

Two other Murdoch newspapers of a different category, *The Times* and *The Wall Street Journal*, influence the world's decision-makers. Both contain excellent reporting. They also reflect a vision of the economy and the world of business that is not far removed from their owner's. The same goes for the US news channel, *Fox News*. In Murdoch's Australian homeland, his conservative political views are even more influential because of his media monopoly. "Mr. Murdoch is entitled to his own view... he owns 70% of the newspapers in this country," then Labour Prime Minister Kevin Rudd said in 2013[1]. And Murdoch has never held back from expressing his views, often in fairly crude terms. "Finally, you have the chance to kick this mob out," was how one of his Australian newspapers, *The Daily Telegraph*, called for a vote against the then ruling Labour Party in a front-page headline on the eve of parliamentary elections in 2013.[2].

JAPAN'S FIVE MEDIA "KEIRETSU"

Murdoch may be aging but the media model he embodies is not in decline. The media empire with global ambitions has a great future and is the only way to guarantee the survival of many media outlets. That at least is what John Fallon, the head of the British media group Pearson, told *Financial Times* journalists in July 2015 after selling the *FT* to Japan's biggest business daily, *Nihon Keizai Shimbun*, also known as *The Nikkei*. "The best way for the FT to guarantee its journalistic and commercial success is to belong to a global digital news group," he said[3]. *The Nikkei*, which had just spent 1.2 billion euros to buy The City's bible, is part of the five conglomerates or "keiretsu" that dominate the media in Japan. A textbook case of concentration.

"The five groups represent a broad spectrum of opinion but their proeminence means that certain views tend to dominate mainstream debate." That was the euphemistic assessment of a 2009 report by Open Source Center, a US Central Intelligence Agency offshoot[4].
The five groups – Asahi, Mainichi, Nihon Kezai, Fuji-Sankei and Yomiuri – have very similar structures: a national daily with a (very) big print run, a TV channel, a publishing division (books and magazines), a sports division (with a baseball team), an Internet division and an entertainment division.

Little information leaks out from these media conglomerates about conflicts of interest but the five empires are ruled with an iron hand by their owners, who use all their weight to influence economic and political developments in Japan. Additional pressure comes from the country's major industrial groups, including energy producers such as Tepco, the notorious operator of the Fukushima nuclear power station, which use advertising to influence editorial content. During the Fukushima disaster, some of the five media keiretsu continued to run ads promoting the advantages of nuclear energy.

THE BATTLE FOR ITALY

After reshaping the French media landscape in a matter of months, the European market's leading players have turned their gaze on Italy, where the traditional players have not said their last word. Australian media magnate Rupert Murdoch shares the pay-TV market with the former "Cavaliere," Silvio Berlusconi, whose Mediaset empire is coveted by many. This could explain the recent offensive by French "oligarchs" Vincent Bolloré and Xavier Niel, who have acquired shares – 20.3% and 15.1% respectively – in Telecom Italia, the country's leading telecom operator. Telecom Italia is seen as the way to get into the Italian media market and intense negotiations are now under way between Bolloré, Berlusconi and Murdoch, according to Italian journalist Fiorina Capozzi, the author of a book on Bolloré's European ambitions[5]. *"After France, Italy is in the process of turning into a hunting ground for these oligarchs,"* she said. *"It will soon be the rest of Europe's turn[6]."*

MOVING FROM COMPETITION TO ALLIANCES

According to the Italian media, Italy's two media patriarchs, Murdoch and Berlusconi, were observing a tacit "non-aggression pact" at the time of writing. Its architect was said to be Tarak Ben Ammar, a discreet man dubbed the "media pasha" by *L'Express* in 2005[7].
A member of the Vivendi board, he also claims to be a friend of Bolloré, the Breton industrialist who dreams of taking Murdoch's place. Other oligarchs are said to be circling, in addition to Xavier Niel. They are Saudi Arabia's Prince Al-Waleed bin Talal and Egypt's Naguib Sawiris, who recently bought *Euronews*.
It is a complex situation in which "prey" could become partners, and partners could become prey. *"In order to consolidate their grip on the media, these men could easily move from fierce competition to alliances,"* Capozzi said. *"You have to stay on your toes."*

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1. During a news conference on 6 August 2013. Quoted by *The Sydney Morning Herald.*

2. *The Daily Telegraph,* 5 August 2013

3. *Le Monde,* 25 July 2015
Quote back-translated from French into English.

4. « Japan, media environment open, state looms large », http://fas.org/irp/dni/osc/japan-media.pdf

5. Vincent Bolloré: The New King of the European Media, goWare, February 2016

6. Interview with Reporters Without Borders

7. « Le pacha des médias », *L'Express,* 1 January 2005

Getting the better of *diploki*

They are industrialists, shipping line owners, landowners and bankers. In Greece, a handful of leading families have ruled over Greece's economy and politics for decades. And their offspring are only too often the leading shareholders in the privately-owned media. The Greeks have even found a word for this incestuous system. They call it diploki (interweaving). The new prime minister, Alexis Tsipras, has declared war on diploki.

Leonidas Bobolas, the owner of Ellaktor SA, Greece's biggest construction company, must still remember 22 April 2015. This rich businessman had only just got out of bed when the police arrived, placed him under arrest and took him straight to the Athens commercial court. There, after several hours of negotiations, he agreed to pay the 1.8 million euros that the tax department had been demanding for months without success. In exchange, he was released[1].

Bobolas is the first and so far only victim of the "war" that Prime Minister Alexis Tsipras promised to wage against Greece's oligarchs, and in particular against "the magnates who control the media and pervert the political debate." The Bobolas family has ruled over the construction sector for decades. At the same time, like so many other "big families" in Greece, it also controls a number of media outlets. Fortis Bobolas, the younger brother of Leonidas, heads the board of Pegasus, a publishing house that owns five dailies including *Ethnos*, around 15 magazines, and websites. The family's media flagship is *Mega*, a TV channel in which they hold the majority of the shares. *Mega* distinguished itself by clearly backing a "yes" vote in the 2015 bailout referendum, thereby defying the prime minister.

Greece has been controlled for the past five decades by a handful of families – from five to 20 families, depending on your source[2]. They are industrialists (petroleum and construction), shipping line owners, landowners and bankers. And only too often they are also the main shareholders of the country's media. The Vardinoyannis family from Crete, which controls the strategic hydrocarbon sector (refineries and majority shares in distribution companies), also owns the *Star TV* channel, radio stations and magazines. The Alafouzos family from the island of Santorini, which is one of the leading shipping line owners, controls the very popular *Skai TV* and the leading Greek daily, *Kathimerini*.

OMERTÀ

In an interview for Jean Quatremer's documentary "Greece, the day after[3]," Greek investigative journalist Nikolas Leontopoulos explained the workings of this incestuous system for which the Greeks have even invented a word – *diploki* (interweaving). *"We talk of the triangle of sin (...) but it is more of a square," he said. "The first side is the entrepreneurial elite, the second is the banks, the third is the media and the fourth is the world of politics. Those who have the entrepreneurial power are the owners of the leading media and are shareholders in the banks and at the same time maintain incestuous relations with the politicians[4]."* He said everyone is aware of this *diploki* but it benefits from an omertà, a code of silence, in the local media. Journalists censor themselves on the subject. *"For a long time, this system was regarded as a motor of growth and prosperity,"* he added

In January 2005, Prime Minister Kostas Karamanlis' conservative government tried to have a law adopted that would have limited conflicts of interests between the leading industrial sectors and the media. It would have banned the owner of a company bidding for public contracts from owning a media outlet, either directly or via a family member (as is often the case). All of the Greek media campaigned against the proposed law, which ended up being rejected – not by the Greek parliament but by Brussels. After furious lobbying of European Union institutions by the oligarchs, the European Commission said the law constituted an obstacle to entrepreneurial freedom[5]. Why?

In the run-up to the 2004 Summer Olympics in Athens, Greece was an El Dorado for European construction companies, which enlisted the local savoir-faire of Greek oligarchs to get a share of the juicy Olympic projects, thereby entering into the *diploki* system. Ten years later, amid an economic crisis caused in large part by the insane spending on the Olympics, the Greek oligarchs used their media outlets to try to block Tsipras' rise to power. Their media also waged a united campaign against the "no" vote sought by Tsipras in the July 2015 referendum in order to defy Europe. They failed in both cases. This may have been because Greek voters had ceased to trust their news media, knowing them to be subservient to the oligarchy's interests, and had sought information elsewhere, on blogs, social networks and the websites of grass-roots groups. Tsipras was not necessarily their idol. It was just their way of saying no to *diploki*.

1. "Un oligarque grec arrêté pour fraude," *Le Monde*, 24 April 2015

2. "Les liaisons dangereuses entre oligarques et politiques," *Le Monde*, 11 July 2015

3. Broadcast on 20 October 2015 on *Arte*

4. Quoted in Jean Quatremer's blog, "Les coulisses de Bruxelles," http://bruxelles.blogs.liberation.fr/2015/09/20/Grece/

5. "Les médias grecs dans la tourmente du référendum," *Le Monde*, 4 July 2015

Alexis Tsipras in Brussells, March 2015
John Thys / AFP

“Media baseball bats”

With his mother’s help, the young Bulgarian oligarch Delyan Peevski has created a shadowy media empire in order to better intimidate and denigrate his detractors. It has been a successful strategy. The Peevskis are king-makers despite frequent accusations of corruption and conflicts of interest.

OFFICIALLY Delyan Peevski is just an ordinary legislator, one of the 240 members of the Bulgarian parliament, where he is rarely seen. Born in 1980, he defines himself as a “successful young man” even if he has never done more than a few weeks of regular work in his life. In June 2013, he was nonetheless chosen to head Bulgaria’s National Security Agency (DANS). Although only 32 he was put in charge of the agency responsible for counter-espionage and for combatting terrorism and organized crime in Bulgaria.

The appointment stunned Bulgaria’s NATO allies and the European Union, of which Bulgaria has been a member since 2007. The government rescinded the appointment five days later but this failed to assuage the electorate. For nearly a year, demonstrators kept taking to the streets of the capital, Sofia, to demand an explanation for Peevski’s appointment, which they said symbolized the control that shadowy forces exercised over Bulgarian politics behind the scenes.

“It was as if the mafia had openly taken over the running of the country,” political scientist Ognyan Minchev said in July 2013[1].

SHADOWY MEDIA EMPIRE

Delyan Peevski is obviously not just any parliamentarian. Together with his mother, Irena Krasteva, the National Lottery’s former owner, he owns Bulgaria’s biggest printing press. Although it is not official, he is also said to own several newspapers, mainly tabloids, some rather sensationalistic websites and a few TV channels. This shadowy media empire is used to defend his family’s interests and, above all, to denigrate his detractors.

And this they did in splendid unison with the demonstrators in the summer of 2013, insulting and defaming them and calling them cartoon protesters in the pay of George Soros. Some of the demonstrators responded by describing these media outlets as “media baseball bats[2],” likening the Peevski family to the mafia gangs that defend their interests and settle scores using intimidation and fear. Except that, instead of crowbars and baseball bats, the family uses insulting and denigrating articles against its detractors.

Two years later, Bulgaria has a different government and a different majority in parliament but Peevski is still one of its members. He was even elected to the European Parliament in 2014 but relinquished his seat to another candidate on his list in order to “better concentrate on his work in Bulgaria.” What exactly does he do? A corner of the veil over his activities was lifted in August 2015 when he and his mother formally declared that they owned shares in the countries leading tabloids (*Telegraf, Monitor and Politika*). Then they bought *Kanal 3*, Bulgaria’s third TV channel.

According to the Sofia media, the family continues surreptitiously to control a number of other media outlets – including the *Blitz* and *PIK* websites – that defend their interests very actively. The family also has a sort of media showcase in Brussels in the form of the English-language *New Europe* site. Peevski has also admitted to being one of the owners of Bulgartabak, a regional leader in cigarette manufacture that sells part of its production to the Middle East. When the investigative news website *Bivol* took a recent interest in this aspect of his business, one of its main reporters and editors, Atanas Chobanov, became a target of the young oligarch’s wrath.

MEDIA HARASSMENT OF OPPONENTS

“Not a week goes by without me or my associate in Bulgaria, Assen Yordanov, making the front-page of one of Peevski’s media outlets[3],” said Chobanov, who has French and Bulgarian dual nationality and has a home in Paris. Accompanied by crude photomontages, these articles insult them in every way possible and try to demonstrate that their motives are questionable. Partnered with Julian Assange’s WikiLeaks, *Bivol* has in just a few years established a reputation for well-substantiated investigative reporting and revelations about the Bulgarian and Balkan oligarchy.

Two Bulgarian journalists, a woman reporter and cameraman, turned up at Chobanov’s home on the outskirts of Paris on 10 October. *“They rang the entry phone and identified themselves as colleagues in order to get my wife to open. They wanted to confirm a rumour that had been circulating for some time in Peevski’s media outlets, to the effect that I was illegally occupying state-subsidized accommodation in Paris.”* In fact, the two journalists had been sent by Peevski’s TV station, *Kanal 3*.

Video footage of his wife in pyjamas at the door of the apartment building, beside the entry phone button with his name, was repeatedly shown by all of the Peevski family’s media outlets. *“It’s harassment but in fact I take it as a compliment because it means that I’ve pressed where it hurts,”* Chobanov said, referring to *Bivol*’s investigation into Bulgartabak. *“We are going to prove that this company is in fact involved in large-scale contraband by selling cigarettes in Iraq, Syria and Turkey,”* he said, going on to assert that part of its astronomical profits finance the Peevski family’s media outlets, and that these also have a money-laundering function.

Delian Peevski, at the Bulgarian Parliament, 2013
Nikolay Doychinov / AFP

Street demonstration against Delian Peevski’s appointment as director of the National Security Agency, June 2013
Dimitar Dilkoff / AFP

1. “Sofia à l’heure d’une petite révolution”, *Le Temps* (Genève), 2 July 2013
2. Agence France-Presse, 21 July 2013
3. Interview with Reporters Without Borders (RSF)

New threats to independence

For more than 30 years, Reporters Without Borders (RSF) has combatted abuses against journalists such as murder, imprisonment, abduction, surveillance and phone tapping. RSF is now entering a new strategic area of action by launching a major campaign for journalistic independence. Imprisoning journalists is clearly unacceptable, but everyone's right to information is also violated when journalists are put in "invisible prisons," when they are chained to vested interests that prevent them from gathering and imparting news and information with their honesty, curiosity and professionalism as their sole guide.

The 2015 World Press Freedom Index showed that only one person in four has access to a free press. Violence (including murder, torture and imprisonment) and censorship are the most visible constraints. But everywhere – both in dictatorships and, in a very different way, in democracies – we see the emergence of unprecedented means for swaying minds, subtle forms of manipulation, discreet but real political and economic interference. It is getting harder and harder for the public to distinguish content that is sponsored or dictated by interests from real reporting produced in an independent and honest manner that is as close as possible to the journalistic ideal.

Since the 2000s, special rapporteurs of international organizations have referred to this issue in their statements, but the concept of editorial independence as a fundamental component of the right to information continues to be a blind spot in major human rights documents. International bodies are committed to defending the – very crucial – freedom and safety of journalists but show little interest in defending real journalism against influences and interests.

Journalistic independence is vital for humanity. As Alfred Sauvy said: "Well informed, people are citizens; badly informed, they become subjects." Independently reported news and information is the basis for enlightened individual and collective decisions. Humanity and societies need "trusted observers" who can help them reach individual and collective choices that are based on the "unrestricted pursuit of objective truth," as UNESCO's constitution puts it.

The pluralism cited in international resolutions should not become a choice between different sources of propaganda or PR content. When oligarchs go shopping for media outlets and use them for personal purposes or place them at the service of their business conglomerates, when governments use state media to wage information wars, or when the press departments of religious movements pretend to create media outlets that are in fact just vehicles for proselytizing, then the public debate as we have conceived it since the Enlightenment is in danger.

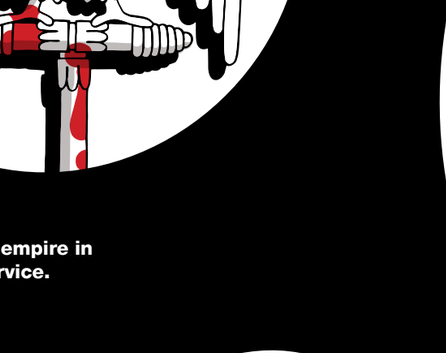
For this reason, RSF is launching the Save Journalistic Independence Campaign. This report on oligarchs and an upcoming report on information wars will help evaluate the present situation. Two long-term studies have also been launched. Julia Cagé, a professor at the Paris Institute of Political Studies, is coordinating an investigation in the OECD countries entitled «Who Owns the Media? Capital, Governance and Independence." At the same time, an initiative by RSF's German section called Media Ownership Monitor (MOM) is tracking down media ownership in the countries of the South. It began in Colombia and Cambodia and is currently studying Ukraine and Tunisia.

On the basis of the studies that have been carried out, RSF has drafted a list of possible actions. Which would be most effective? Resolutions by international organizations? Creating benchmarks, toolkits that provide media professionals with the means for demanding journalistic independence? Procedures for labeling or even certifying individual media outlets? The non-exhaustive list of ideas needs a great deal of work. Whatever the conclusions, RSF will ensure that this issue, which is crucial for democracy, is on the agenda of major international forums such as the G8, the G20 and World Economic Forum in Davos in the years to come.

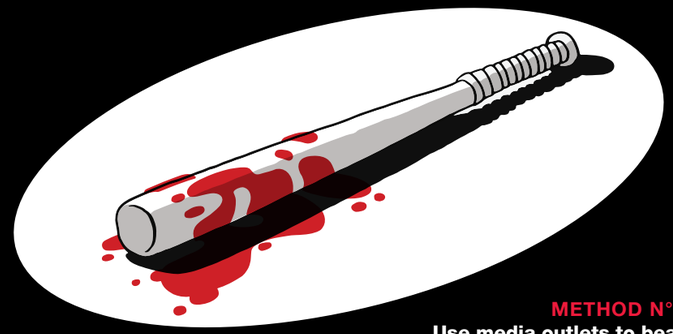
Changing the world of news and information will be a long-term job. Journalistic independence will allow the quality of journalism to improve. It is worth the effort, isn't it?

HOW OLIGARCHS KILL FREEDOM OF INFORMATION.

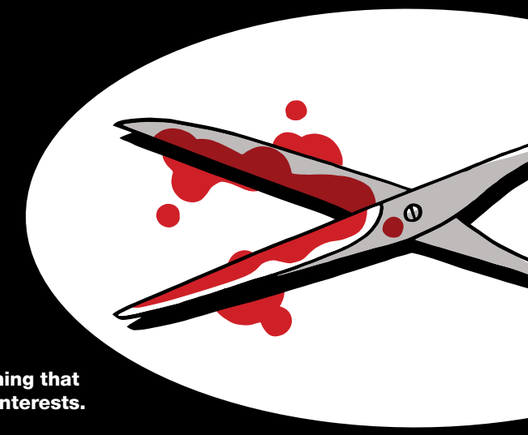
METHOD N°1
Put your media empire in the regime's service.



METHOD N°2
Replace news with entertainment.



METHOD N°3
Use media outlets to beat up your opponents.



METHOD N°4
Censoring anything that threatens your interests.

METHOD N°5
Buying media outlets to corrupt the authorities.

Reporters Without Borders promotes and defends the freedom to receive and impart information worldwide. Based in Paris, it has ten international bureaux (in Berlin, Brussels, Geneva, Madrid, New York, Stockholm, Tunis, Turin, Vienna and Washington DC) and has more than 130 correspondents in all five continents.

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