The Capture Effect.

How Media Capture Affects Journalists, Markets and Audiences

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Abstract

As the literature aimed at defining and explaining media capture has grown in recent years so has the interest in documenting more in-depth the impact of capture. There is still a relatively wide gap between the literature focused on defining and describing the concept, which is rich and increasingly sophisticated, and the body of research work aimed at measuring the impact of capture, which now consists of a collection of disparate analytical papers often focused on case studies.

This paper aims to contribute to the second: building on existing research, its goal is to identify the changes that media capture leads to in three key areas: **journalism** (with a focus on the impact of capture on professional standards and performance of journalists), **market** (with a focus on the effects on free competition, market health and viability of investments), and **audience** (with a focus on the content limitations that audiences are faced with in environments where propaganda media is dominant).

Keywords

Media capture, editorial independence, state media, independent journalism, corruption, government control

Capturing the moment

In November 2019, a man in charge of media affairs for the Hungarian Prime Minister's office sent an email to Zsolt Nemeth, director of Hungary's state-run news agency MTI, asking him the following: "Hi, could you write an article about this, citing me as a source? Thanks!". He was referring to a letter that a European rabbi had sent to his boss, the Hungarian Prime Minister Viktor Orbán, to thank him for his support. Later, the official in the Prime Minister's office sent Nemeth, by email, the exact title he had to use in the planned article. MTI followed the request word by word, according to a leak of emails documented by Direkt36, a local investigative portal (Wirth, 2022).

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One of the main challenges that journalism has been facing for decades in an increasing number of countries is instrumentalization, a situation where media outlets lose their editorial independence under pressures from authorities, private companies, or both. Concentration of media ownership in the hands of a limited number of businesses, which are often associated with politicians or government officials, is the main factor that allows such consolidation.

A series of economic crises coupled with massive shifts in technology have torpedoed the traditional business models for journalism, further eroding the sustainability of the media sector. As a result, journalists and media outlets became extremely vulnerable to pressures, allowing powerful actors, both politicians and businesses, to spread their dominance over swathes of the media industry through mechanisms of control over media regulation and state or public media, preferential allocation of public funds to supportive media companies, and takeover of private media companies.

Control in these areas leads to media capture: entry barriers are elevated as new, especially smaller, players do not have access to broadcast licences or other regulatory incentives and benefits, access to public funds is barred to media outlets with an independent editorial coverage, governance bodies at state media are staffed with people close to the authorities to ensure alignment with the government's interests, and a large number of private media operators are forced by their owners to follow the official agenda.

The concept of media capture was rather new until a decade ago. Yet much ink has been spilled in the past few years on analysing cases of media capture, allowing a much better understanding of the concept. In one of the early writings on the topic, Alina Mungiu-Pippidi defined "media capture" as a "situation in which the media have not succeeded in becoming autonomous in manifesting a will of their own, nor able to exercise their main function, notably of informing people. Instead, they have persisted in an intermediate state, with vested interests, and not just the government, using them for other purposes." (Mungiu-Pippidi, 2013). A key element distinguishing media capture from other forms of government control is the involvement of the private sector (Schiffrin, 2017).

The chronology of the media capture history is rather fluid as it is difficult to precisely establish its birth. Moreover, as it appears as a result of a combination of factors and trends that have to happen at once in a given national context, media capture has no linear history. Elements of capture appear and disappear, depending on the political configuration, economic trends, technological advances and local culture. Yet, lasting cases of media capture have emerged in recent years in a number of countries, signalling that once it gets entrenched, media capture is extremely difficult to dismantle.

Using country case studies as evidence, it can be argued that the first signs of media capture, "particularly the prodigious participation of the government in the market,

directly or through clusters of private owners", could be seen in Eastern Europe in the late 2000s (Dragomir, 2019). During those years, numerous media outlets across the region began to feel the pinch of the economic downturn.

Moreover, media markets were shaken by the dramatic technology-induced shifts, with large chunks of ad spending migrating to the rapidly growing global tech platforms (Dragomir, 2020).

Faced with a steep decline in their assets' value, numerous media outlets became easy targets for a small elite of businesses, mostly enterprises run by oligarchs connected with governments. In many countries, these companies grew solely thanks to funds allocated to them by the government to carry out public works in various large industries (e.g. construction) (Buckley & Byrne, 2017). Some of them were set up through loans from state-controlled banks or capital from unknown sources (Dragomir, 2019).

This transformation of the media markets across Eastern Europe was accompanied by an exodus of foreign media owners that had been operating in the region from the 1990s. The exit of these foreign companies could be considered the main media capture event in Europe. Some of these countries, including Czechia, Slovakia and Bulgaria lost almost all key foreign investors in the media, especially in the publishing business (Stetka, 2013).

An anatomy of media capture: key components and variations

The growing scope of media capture in a cluster of countries in Eastern Europe as well as in other parts of the world have prompted an intensification of the research efforts aimed at understanding the inner workings of capture. Comparing data and trends in government control collected from more than 150 countries (State Media Monitor, 2022), a media capture model consisting of four key components has been introduced (Dragomir, 2019) as follows:

o **Regulatory capture**

This is a situation where the government is in full control of the regulatory processes that affect the media. Achieving regulatory capture is a relatively effortless task for authorities, especially in countries with low accountability standards and a weak civil society. The type and number of regulatory authorities with competences in the media vary from country to country. Broadcast regulators, in charge of licensing television and radio channels, print media watchdogs, data regulators or competition authorities all can play a role, more or less significant, in media regulation.

Because these bodies are in one way or another subordinated to the authorities, depend on funding from the government to operate, and the members in their governing bodies are appointed by state bodies, the regulatory capture has been a perennial challenge in many national media ecosystems.

o **Control of state/public service media**

State and public service media have been confronted for decades with various forms of government control, resembling to a large extent those used in the regulatory capture. In countries where state/public media depend on government funding to operate and their main supervisory and management structures consist of people appointed by the authorities, they often lack editorial independence. Such institutions are usually operated as state propaganda channels charged with promoting state policies and protecting the interests of the authorities.

In the past two to three decades attempts were made by governments in Eastern Europe, some Latin American countries, a bevy of African nations and a few Asian countries, usually under pressure from civil society and experts, to rebuild their national state media into modern, editorially independent, public service outlets, or create from scratch such institutions. Those reforms, which in most cases were a lengthy and painful process, only rarely led to a successful transformation of the state media system, the main reason behind the failure being the reluctance of the political class to give up control over public media institutions that have access to nationwide infrastructure ensuring their access to the country's population. With a few exceptions, most of those state media continued to operate primarily as propaganda channels in the service of the political party in power. Examples are plenty, ranging from the state broadcasters in many Eastern European nations, such as the public broadcaster MTVA in Hungary (Toth, 2015) or the public media operator in Bosnia & Herzegovina (Knezevic, 2017), to most of the state broadcasters across Sub-Saharan Africa and the Middle East and Northern Africa (MENA) region (Dragomir & Soderstrom, 2022).

o **Use of state financing as a control tool**

State funding is an extremely effective instrument, especially following years of economic crises and dwindling sustainability, used by governments to control media outlets. On top of state funds from the state budget allocated for the operation of public or state media, many governments also create purses of public funds that they use to buy advertising space in media outlets, either to pay for disseminating various government-sponsored social campaigns or for advertising products and services offered by state-owned enterprises.

This form of state funding is often used to reward or punish media outlets, creating a dependency that helps authorities further bolster their influence in the media. Media outlets prevented from accessing state advertising funds, for example, especially smaller ones operating in less affluent markets, face deep financial crises, which can often lead to their demise (Dragomir, 2018).

o **Private ownership takeover**

Finally, takeover of privately owned media is a key piece in the media capture architecture. Without control of the media market and its main players, capture would not be complete as very often those media outlets have a significant outreach and market influence. In most of the cases of private ownership capture, governments use either state-controlled companies or conglomerates run by associated businessmen to buy media assets. In some cases, businessmen close to the authorities are given access to loans from the state or state-owned financial institutions to complete such purchases (Burazer, 2021). A pattern related to takeover of privately held media, documented in a spate of media captured environments, is the intensification of the purchases before elections (usually such acquisition fever starts one year before the election day), a strong indicator of the real purpose of achieving media capture: winning elections to secure access to public resources and power mechanisms.

Media capture: geographies and typology

Although a series of political and economic developments made Eastern Europe a fertile ground for media capture to take root, the phenomenon is hardly an eastern European product. First, there are many examples of media organisations, both public and privately owned, that at some moment in time get captured by political parties or authorities. In some countries, media outlets fall victim to capture for long periods of time.

Cases of media capture in various forms and deployed at various degrees of intensity have been documented in countries ranging from Thailand in the mid-2000s (IFEX, 2004) to Ukraine a decade or so ago (Ryabinska, 2017) to Mexico (Urrusti-Frenk, 2015) or Hong Kong in more recent years (Frisch, Belair-Gagnon, & Agur, 2018). In 2017, The London School of Economics (LSE) analysed four sets of factors driving media capture in a diverse sample of nations, which included South Sudan, Tanzania, Bangladesh and South Africa (Jiménez Cárdenas et all, 2017). Cases of media capture were also identified in more developed media markets such as Japan (Hung Au, Kawai, 2011) and Spain (Minder, 2015).

Overall, the number of captured media outlets has noticeably increased in recent years. In 2022, a total of 493 government-controlled media outlets were identified by State Media Monitor, the largest database of state media in the world covering 157 countries

(Dragomir, Soderstrom, 2022). That represented more than 84% of the total state/public media analysed in the study, an increase from 80% in the previous year.[2]

State Media Matrix: A Typology of State Media

	Predominantly state-funded	Control of governing structures and ownership	Editorial control	Model
1	Yes	Yes	Yes	State Controlled Media (SC)
2	No	Yes	Yes	Captured Public/State Managed Media (CaPu)
3	Yes	No	Yes	Captured Private Media (CaPr)
	No	No	Yes	
4	Yes	Yes	No	Independent State Funded and State Managed Media (ISFM)
5	Yes	No	No	Independent State Funded Media (ISF)
6	No	Yes	No	Independent State Managed Media (ISM)
7	No	No	No	Independent Public Media (IP)

Source: Media and Journalism Research Center, Marius Dragomir, 2022

The media outlets editorially controlled by the government fall into three categories. One is called state-controlled media, the largest category in the study comprising media outlets that have been established and run by authorities as government propaganda channels. Very often these outlets are indistinguishable from the government apparatus, being operated as state bodies and institutions: they are entirely dependent on state funding, managed by government-appointed bodies, and following an editorial line that has to be vetted by state authorities. The state-controlled model is widespread in the world, found in countries such as China, North Korea or Venezuela, several Southeast

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[2] The study is anchored in the application of a research framework, known as State Media Matrix, to media outlets across the globe. The State Media Matrix is a typology of state media that allows classification of state media according to three key factors that affect their independence: funding, ownership/governance, and editorial autonomy. Using these three main factors, the study identified seven state media models that are characterised by various degrees of independence. Three of them are government-controlled: (a). State-controlled media, b). Captured public media, and c). Captured private media; the other four are independent state/public media (a). Independent state-funded and managed; b). Independent state-funded, c). Independent state-managed; and d). Independent public media (the least government controlled, most editorially independent model).

Asian nations, numerous Middle Eastern states, most of Sub-Saharan Africa as well as in a bevy of nations across Central and Eastern Europe (Dragomir & Soderstrom, 2022).

A second category encompasses captured public/state-managed media, a model characterised by government control of a). governance structures and/or ownership, and b). editorial coverage.

This group includes three types of players: print media publishers that are managed by state institutions, but financed primarily through commercial revenue (such as Sociedade de Noticias in Mozambique, Industrial Development Corporation (IDC) in Zambia, Zimpapers in Zimbabwe, Singapore Press Holdings (SPH), and SRMG in Saudi Arabia; public service media that lack editorial autonomy such as Pakistan's PTV, SLBC and SLRC in Sri Lanka, HRT in Croatia, ERT in Greece, Italian public broadcaster RAI or RTS in Serbia); media holdings that run both broadcast media outlets and print media who closely follow the official government lines (they include Medianova in Angola, Shanghai Media Group in China and various commercially funded Russian media groups known to be close to the Russian government such as Gazprom Media or National Media Group).

Outlets in the captured public/state-managed media category are the most vulnerable to becoming fully state-controlled (the first category described here), the component missing to relegate them into that class being funding; adoption of state funding as the main source of financing would turn them into state-controlled media.

When it comes to the editorial coverage, there are only slight, if any, differences between public captured media and state-controlled media, the media in the two categories being almost indistinguishable.

Finally, the captured private media model is illustrative for media outlets that are editorially controlled by state authorities, yet they remain privately owned and in many cases commercially funded. This model is the distinctive pillar in the media capture architecture, ensuring state control through directly or indirectly affiliated businesses in the private media sector. In the captured private media category, some of the outlets receive funding from the state budget (mostly as state advertising) whereas others are fully financed from self-generated, commercial revenues (although some of these funds are channelled to those media outlets also on political grounds) (Soderstrom, Dragomir, 2022). To some extent, the captured private media model is the most difficult to document as it lacks in most cases formal links with state institutions.

The captured private media model has emerged mainly in countries where state interventionism in the media is rife such as Morocco, Cambodia, Azerbaijan, Jordan, Qatar, Turkey or Serbia. It is important here to distinguish the captured private media model from cases of politicised or politically controlled media whose ownership is held by political actors or groups (without access to political power). Such politician-owned outlets are found almost everywhere in the world. A key characteristic of the private

captured model is the systemic editorial control exerted on journalists by both individuals (businessmen, politicians, officials) or institutions (state bodies, government agencies) linked with state authorities.

Global overview of state media by typology and number of media outlets, 2022

	Number of media entities							Total
	SC	CaPu	CaPr	ISFM	ISF	ISM	IP	
Europe	24	11	21	29	4	12	12	113
Eurasia	56	5	7	2	0	0	0	70
Sub-Saharan Africa	109	12	1	3	0	0	0	125
MENA	55	15	14	2	1	1	0	88
Asia	94	13	7	4	0	2	5	125
Latin America*	47	1	1	7	7	1	0	64
North America, Australia & New Zealand	0	0	0	4	3	1	2	10
Total	385	57	51	51	15	17	19	595

State Media Matrix: SC: State Controlled Media; CaPu: Captured Public/State Managed Media; CaPr: Captured Private Media; ISFM: Independent State Funded and State Managed Media; ISF: Independent State Funded Media; ISM: Independent State Managed Media; IP: Independent Public Media.
Note: The classification includes two countries, Monaco and Luxembourg, which do not have any state-administered media outlets.
*Including the Caribbean
Source: Media and Journalism Research Center, Marius Dragomir, 2022

The dominance of the state-controlled media model in the overall media ecosystem remains worrisome. Nonetheless, the rapid spread of the captured models are equally concerning. In some parts of the world, such as Sub-Saharan Africa or many parts of Asia, the situation of the state media has not changed in decades, a strong indication of either failed reform or tight grip of the government in the media. The high and growing incidence of captured media in Europe on the other hand signals a massive decline in media freedom on a continent that still shelters most of the world's independent public media.

One textbook case of media capture established through a long, sustained process that involves regulatory capture, manipulation of public funds, control of public media and takeover of private media, can be found, in fact, in Europe. That is Hungary where businesses close to the right-wing government led by the prime minister Viktor Orban have been buying a large number of privately owned media companies, which along with the country's state-controlled media behemoth, have been used to build a propaganda powerhouse fully in the service of the authorities.

Impact of media capture on journalism, market and audience

Media capture is by far the biggest threat that independent journalism has been facing in recent years. The debates about this phenomenon naturally tend to be focused on its impact on journalists as individual producers of news content. While that is a very important aspect of the debate as journalists are key players in the overall media ecosystem, more nuance and granularity are needed in studying the impact of capture. For a more holistic understanding of the impact of capture, its effects on the media market and audiences should be included in the discussion.

When it comes to **journalism**, the focus should be widened to encapsulate changes in both journalists' behaviour as well as in the professional norms and standards that have been triggered by capture. Although, as always, causal relations are hard to nail down, a rich body of data and cases has emerged lately, helping identify tendencies that seem to be a direct result of capture.

When it comes to the **market**, an obvious consequence of capture is declining competitiveness as captured environments tend to be highly concentrated, subject to distortive state interventions, and harmed by erratic regulations. One other aspect that should be analysed here is the impact on investments as in media captured environments a small group of interests tend to amass much of the wealth in the sector (including commercial revenues, as well as state subsidies and advertising), prompting investors to scotch investment plans in favour for friendlier, more competitive markets.

Finally, when it comes to **audiences**, one important aspect that needs to be analysed is the availability of news content and the access by various audiences to it. That requires detailed audience data for various media segments and triangulation of datasets to understand how people's media consumption habits are formed and preserved. On the other hand, measuring the influence that media content has on people's reactions, attitudes and thinking is crucial to truly understand the ultimate influence of capture: its societal impact.

Journalism

Obviously, one of the fields most affected by media capture is journalism. The effects of media capture on the journalistic profession are manifold and long-term. In highly captured environments, as a significant part of the media sector is controlled by the government, directly (state media) or indirectly (through businesses run by people close to the politicians in power), the space for independent journalism is considerably reduced.

The consequence is a combination of de-professionalization, polarisation and weakened sector representation.

First, media capture transforms the media field beyond recognition as most of the media outlets taken over by oligarchic structures linked with the government or the public media directly controlled by authorities are transformed into propaganda channels with a sole purpose to promote the interests of the supportive business elites and political power. Especially in highly captured environments where authorities systematically attack privately held media in their attempt to take them over, efforts to coordinate slanted, government-approved editorial coverage among various media outlets (print, broadcasters, online, news agencies) lead to the rise of a centralised propaganda operation that gets to dominate the communication ecosystem.

One of the most illustrative examples of such efforts to centralise control in the media is Hungary where after eight years of methodically expanding control over many media, loyalists close to the government of the prime minister Viktor Orban established Central European Press and Media Foundation (KESMA), an organisation that incorporated 467 media outlets, all donated to it by their pro-government media owners (Griffen, 2020).

A key player in the propaganda architecture is the public media system, which in captured contexts is fully under the government control, operated as a state propaganda machine. Across Western Balkans, for example, reforms aimed at transforming former state media organisations into independent public media ones have repeatedly failed, most of these institutions lacking editorial independence and serving as propagators of politically biased news content (Milosavljević, & Poler, 2018). State media in some of these countries are referred to as "red carpet" television channels whose main mission is to provide coverage of government protocol (Remzi, 2011).

The pervasive role of the state media in bolstering capture is notable in many other countries with a tradition of state intervention. Direct government control of public media is predominant across most of sub-Saharan Africa (Mabweazara, Muneri & Ndlovu, 2020) where governments see public media as a mouthpiece of the political party that wins the elections.

An obvious consequence of the overwhelming growth of propaganda media is the declining professionalisation in the sector, which is largely divided between a dominant media segment that draws and grows on generous public support, and a frail, shrinking

independent media bubble that survives on frugal financial resources, mostly through donations or support from citizens.

In this uneven marketplace, norms and standards are losing importance as journalists in government-controlled media (accept to) operate as disseminators of state-endorsed content. In Zimbabwe, for example, ministers and officials affiliated with the ruling party Zanu-PF are the main conduit for government interference with the editorial agenda of the country's public media (Mabweazara, Muneri & Ndlovu, 2020). In Hungary, a series of recently leaked documents show how the national news agency MTI receives instructions from the Prime Minister's Press Office about what and what not to cover, and how, including precise terms, even headlines and leads, these orders being religiously followed by the news agency's editors (Wirth, 2022).

The most grave consequence of the government control over the editorial agenda of captured media outlets is the quality of their news content. In media captured systems, the public narrative is dominated by the powerful government news propaganda machine, which is used to craft messages fitting the interests of the authorities. For example, the close relationship between the Hungarian Prime Minister Orban and the Russian president Vladimir Putin has fueled the spread of pro-Kremlin propaganda in the Hungarian news media sector. Often, Hungarian mainstream media, most of which are pro-government, use pro-Russian propagandistic content from some notorious disinformation websites in Hungarian that regularly regurgitate material taken from news providers run by the Russian government (such as RT or Sputnik News), according to a journalistic investigation run by the Hungarian outlet Atlatszo (Redl, 2022).

Lower journalistic standards not only erode journalists' professional reputation, but also fuel political polarisation, which has a considerable societal impact with negative consequences for the quality of democracy.

During the past decade, political polarisation has been on the rise in an increasing number of countries, including advanced, diversified and competitive media markets (Druckman, Levendusky, & McLain, 2018), a sign that not only captured contexts are a fertile ground for polarisation. In the United States, for example, the proliferation of increasingly partisan media, which also include a slew of portals with dubious ownership, has been the engine of polarisation in the country's politics. In the current media environment, which offers access to a high number of sources, there seems to be a bias towards standing out, opposite to the tendency in the pre-digital media era when media organisations were concerned about neutrality and impartiality to achieve the largest audience possible (Klein, 2020). Furthermore, the declining trust in traditional media as a main source of facts, a result of the rise of disinformation, also feeds into polarisation (Wilson, Parker, Feinberg, 2020).

Research on polarisation and media has grown sharply since 2012, focusing chiefly on the role played by social media in boosting polarisation and on a few major media markets. Studies about polarisation in the United States, for example, abound (Kubin & von Sikorski, 2021).

However, polarisation is clearly a trend found elsewhere, too (Gidron, Adams, & Horne, 2019). Studies focused on non-US country cases provide evidence of a spiking incidence of polarisation linked with capture (or even triggered by it). In countries such as Turkey (Çelik, Bilali & Iqbal, 2017), Hungary (Bene & Szabó, 2019) or Poland, characterised by alarmingly high levels of media capture, political polarisation has been also on the rise, yet each of these countries has its own peculiarities. There is a rather obvious causal logic between media capture and political polarisation as captured media outlets, built to operate as propaganda channels, trigger a counter-reaction from independent journalists and media, a clash that leads to a narrative that is antithetic to the one promoted by captured media.

What is specific for media captured environments is the rise of what Beata Klimkiewicz calls the "structural polarisation of the news environment" itself. (Klimkiewicz, 2021) This structural polarisation is a massive rift in the media ecosystem, which becomes a battlefield theatre between media outlets supportive of the governments and other media criticising the authorities (and usually exposing the manipulation techniques of government controlled media).

Klimkiewicz identifies five "symptoms" of the structural polarisation in Poland, including policies that affect the mainstream news media environment, the growing partisanship of public service media, the shift towards "journalism of identity" propelled primarily by rightwing "identity" media, and the widening gap between the media consumers based on political biases (Klimkiewicz, 2021).

Structural polarisation, namely the fragmentation of the journalistic guild into opposing groups that use, if at all, different codes of conduct and self-regulatory rules, weakens the sector' power and representativeness. In Poland, for example, it prevents journalists from building a strong, effective common front in negotiating with their owners or with lawmakers to protect their interests (Klimkiewicz, 2021). In Serbia, another country where the government has captured swathes of media outlets, journalists are faced with a raft of challenges including job insecurity, editorial pressures and low pay. As a result, many of them "embraced a pro-government bias and self-censorship, seeing them as necessary in improving their own status" (Radeljić, 2020).

Altogether, de-professionalisation, structural polarisation and growing instability have a lasting effect on the journalistic profession. Complying with journalistic rules and norms becomes increasingly difficult in a media environment dominated by lavishly funded propaganda outlets that churn out content at a rapid pace. Due to structural polarisation,

independent media outlets tend to be either **reactive** (obsessively focusing on investigations aimed at unveiling wrongdoing by authorities), or **corrective** (with propagandistic content flooding the info-sphere, many journalists choose to focus on fact-checking and debunking false content circulated online). In the middle, between reaction and correction, the space for factual, day-to-day news production remains entirely in the hands of captured media. Finally, instability prompts numerous journalists to leave their profession for better jobs in related or sometimes totally unrelated sectors. Those who prefer to stay, mostly because they do not have any other option for a job, often self-censor their work (Clark & Grech, 2017).

Market

Capture is equally disruptive to media markets, affecting first and foremost their competitiveness. As the dominant media players, controlled by the government, benefit from both favourable regulatory decisions and financial support channelled to them through subsidies and state advertising contracts, they enjoy a significant competitive advantage over independent media outlets.

In most of the highly captured media contexts, market distortion is by far the most dramatic consequence of capture. Following a joint international press freedom mission organised in 2019 by a group of media freedom NGOs in Hungary, a country that is often given as a classic example of media captured environment, a report summarising the findings of the visit described the situation as follows: "The government has mobilised its control over state resources to marginalise the independent press and distort the media market in favour of a dominant pro-government narrative" (Conclusions, 2019).

One powerful tool widely used in captured environments to distort the market to favour state-controlled media is state advertising. The 2019 mission to Hungary found that "state advertising has been weaponized to fund pro-government media and starve independent outlets." The latter are almost entirely barred from accessing state funds, which is a major distorting factor "strongly affecting the sustainability of the sector." (Conclusions, 2019).

In 2018, for example, TV2, a pro-government broadcaster in Hungary, received some 67% of all state ad funding earmarked for the television sector. In contrast, RTL Klub, a German-owned television broadcaster, only received 1% (Conclusions, 2019).

A study tracking state ad spending in Hungary found that before 2010, when the Socialists were in power, state ad distribution was rather balanced. After 2010, the year the right-wing party of the prime minister Orban won the elections, not losing the political power ever since, state ads were increasingly redirected to government friendly outlets (Bátorfy & Urbán, 2020).

In the context of a profound economic crisis that the Hungarian media market, as other countries elsewhere, has been grappling with for more than ten years, the preferential

allocation of state advertising has a baleful effect on the overall sustainability of the independent media sector. "[...] the distortion that has emerged in the Hungarian market has the result that pro-government players in the media market are relatively sheltered against the challenges of market competition, while the independent players in turn become extremely vulnerable with respect to their competitive position in the market" (Bátorfy & Urbán, 2020). One study presents evidence that targeted state advertising also influences the owners' ideology (Szeidl & Szucs, 2021).

In Serbia, another country where authorities and allied businesses control a vast amount of media outlets, capture is an insurmountable barrier to media sustainability as government-favoured outlets, both at national and local levels, have an important competitive edge primarily thanks to the hefty state aid regularly received from the government (Burazer, 2021). One development contributed to this situation: the privatisation of the local media during the period 2014-2015 that created "a vast number of private pro-government media, which kept being financed by the local municipalities" (Pavlovic, 2015).

In many cases, preferential allocation of state ad funds pushes independent media out of the market. In Hungary, for example, many independent news companies have to shut down as they cannot compete with "the state's limitless resources." (Bátorfy & Urbán, 2020)

In a separate development, the capture of a high number of media outlets in Bulgaria has led to collusion between media owners and politicians. Specifically, the misuse of state resources to fund and to punish at the same time media companies "has helped finance a pro-government media bubble" (Dzhambazova, 2022).

Reacting to criticism regarding captured media, the Hungarian government argued that decisions regarding distribution of state advertising are grounded in market logic, an argument contradicted by facts: RTL Klub, for example, a leading television broadcaster, in spite of its large reach, only received 10% of all state ad expenditure in 2018. In a separate case, Index.hu, a major news portal, received no state ad euros in 2018 in spite of its large followership in excess of one million users (Conclusions, 2019).

Media capture also has a substantial impact on the overall advertising market, influencing to a large extent the logic and dynamic of commercial ad distribution. In countries with high levels of media capture, the influence of the state is reaching many key industries either directly through conglomerates controlled by businessmen supportive of the government or indirectly through various state institutions and politically controlled regulators whose decisions can affect businesses (for example, imposition of new taxes or introduction of new taxation rules). As a result, many of these companies will refrain from advertising in independent media fearing repercussions from the authorities.

This problem is most acutely felt, again, in Hungary. Either because of pressures from state bodies and officials, or as a preservation instinct to avoid retaliation from the government, commercial advertisers, both domestic and foreign, are thus avoiding placing ads in independent media outlets (Conclusions, 2019).

A similar situation is found in Czechia, once a vibrant media market, which during the past decade has been faced with the growing threat of capture especially due to the entry of powerful oligarchs both in the government and in media companies. The case of Andrej Babis, one of the wealthiest oligarchs in the country, is emblematic. His accession to political power coincided with his entry in the media business, after he purchased Mafra, a leading publishing company.

Journalists say that cases of companies that withdraw their ads from independent media fearing retaliation by the Babis-controlled authorities was common in the country when Babis was prime minister. A report on media capture in Czechia quotes marketing managers stating that they would like to support independent media, but doing so openly would be devastating for their company: "[...] Andrej [Babis] will squash me. I don't want to end up like Mr. ...." (Klíma, 2022).

Finally, media capture is a major obstacle to media sustainability, a consequence of the market distortion triggered by the overdominance of pro-government media.

First, capture empowers businesses close to the government to amass huge market power, which combined with preferential state funds allocation practices, weakens the financial health of independent media. Without access to state funds and increasingly avoided by commercial advertisers, as described hitherto, independent media companies are faced with a financial predicament that often forces them to reduce operations or leads to their demise. Uneven competition has led to the fragmentation of the Czech news market, which hampered the sustainability of independent media. The purchase by Babis of Mafra in 2013 has triggered the fragmentation phenomenon as hundreds of journalists and top editors from the media outlets run by Mafra quit, many of them launching their own publications, which are usually small outlets run on shoestring budgets (Dragomir, 2018a).

Secondly, capture discourages investments in the media and prevents experimentation with business models. As operating an independent media outlet in a market with large and powerful players controlled by the government is hardly lucrative, investors are rarely venturing to such places as return on investment carries major risks. Moreover, experimenting with various streams of revenues is almost impossible in captured environments. Take subscriptions: in a media ecosystem flooded with news content (from a myriad of state-sponsored media providers), it's extremely difficult, if not impossible, to introduce subscription-based business models (Nussipov, 2019). Even philanthropies that support independent journalism find it difficult to design grants for independent media in

captured environments as their financial resources are only a fraction of the overall state funding that goes into the government-controlled media system.

To conclude, the market distortion triggered by media capture and the obstacles raised by it are having lasting effects on the health of the media industry. In countries with high levels of capture, the media industry turns into a centralised, state-controlled media economy, heavily subsidised by the government.

Audience

In media captured environments, factual, verified news content is in short supply as most of the media scene is occupied by government controlled outlets. While it is important to measure and document the impact of media capture on the journalistic profession and media market, the overall effect of capture on audiences, both as citizens participating in democracy and enjoying its benefits, and users of media content who make political or consumer-related decisions. There is still a research gap when it comes to how media capture affects audiences, and to fully understand the amplitude of the capture phenomenon, this gap needs to be filled. In particular, data and evidence helping understand how people's decisions shift because of exposure to a restricted, government-biased media diet are highly needed.

Yet, even in the absence of such granular research into the effects of media capture on people's thinking and decisions, existing data indicates that there is a link between media capture and distorted collective decisions, especially political ones.

A high level of wealth concentration, for example, is seen to lead to more corrupt media as it empowers businessmen to acquire media players as a way to manipulate the electorate (Corneo, 2006). On the other hand, the electoral results seem to be a strong indicator of the impact of captured media on people's decisions. In Hungary, for example, where Fidesz, the right-wing political party that has been in power since 2010, controls the public narrative, state propaganda seeps in, as if through the pores. An article documenting the spread of capture in local markets in Hungary where, since 2017, most of the country's 18 provincial newspapers have been bought by allies of the Hungarian prime minister Orban, unveiled a unified propaganda system where content is being channelled through major media outlets to local ones. The result is that in the end, they all look the same (Nolan, 2019). The longevity of the Fidesz party in power is a strong indicator of the effectiveness of propaganda produced and imposed on an audience for a long-time.

Various other studies have focused on the link between the effects of media capture and political outcomes, showing that government control of the news agenda affects the political balance (Besley & Prat, 2006). An article published as part of the research project Illiberal Turn found a negative correlation between people's attitudes to immigration and

public service media consumption in countries with captured public media, such as Hungary and Poland. In contrast, more positive attitudes towards immigration were detected in Czech Republic, a country with an independent public service broadcaster (Kondor, Mihelj, Štětka & Tóth, 2022).

There are some limits to media capture impact on audiences as in some contexts, even highly captured ones, the efficiency of propaganda can be limited in various ways (Enikolopov & Petrova, 2015). Public availability of more information about the media source helps people understand that some media outlets are captured, prompting some of them, at some point, to discount information coming from those sources (Jie, Golosov, Qian, Kai, (2014). In some cases, propaganda can backfire if the narrative is too different from or totally contradicts the beliefs of the audience (Maja, Enikolopov, Petrova, Santarosa, Zhuravskaya, 2015).

Conclusions

Independent journalists all over the world are confronted with a plethora of dangers and threats, many of them losing their lives on the field. Yet, due to its systematic and complex takeover of the media ecosystem by gaining control of both the media players and their regulators, media capture is arguably the most extraordinary challenge for editorially independent media today.

While we know more today about how media capture situations arise, its main characteristics and patterns, there is still need for more research of its actual impact. This paper attempted to fill a bit of that gap by describing what happens to journalists and journalism, market rules and audience tastes and consumption patterns in captured media environments.

Although more data is needed, for example to measure how people's thinking and attitudes are swayed by captured media, the data and correlations identified in this paper are evidence that capture, unlike other threats to media freedom, has a lasting effect on the overall media ecosystem.

By destroying professional norms, polarising the journalistic community, distorting media markets and eroding the sustainability of independent media, and manipulating audiences' preferences, tastes and political choices, media capture leads to the reinvention of the media ecosystem on a totally new fundament anchored in a vast, powerful and increasingly sophisticated state-led apparatus that sees dissemination of information as a one-way, government-curated system.

But in spite of this bleak picture, the numerous investigative journalism networks operating today, the technological conditions allowing journalists to operate even in the most difficult places, the dynamic community of media experts advocating for progressive media freedom policies in dozens of countries all over the world as well as the cohort of

donor organisations financing journalism initiatives are all strong incentives to fight capture and prevent its lasting effects.

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