

CZECH REPUBLIC



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MEDIA CAPTURE IN THE CZECH REPUBLIC:

LESSONS LEARNT FROM THE
BABIŠ ERA AND HOW TO
REBUILD DEFENCES AGAINST
MEDIA CAPTURE

MEDIA CAPTURE IN THE CZECH REPUBLIC: LESSONS LEARNT FROM THE BABIŠ ERA AND HOW TO REBUILD DEFENCES AGAINST MEDIA CAPTURE

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The report uses and builds on the chapter that Klíma co-authored with Eva Hanáková in 2021 for the study “Four Shades of Censorship: Media Market Trends and Distortions in the Czech Republic, Hungary, Romania and Slovakia”, published by the Mérték Media Monitor.*

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* <https://mertek.eu/2021/10/26/four-shades-of-censorship-state-intervention-in-the-central-eastern-european-media-markets>

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MEDIA CAPTURE: AN OVERVIEW

This report was commissioned to examine the situation of media capture in the Czech Republic. It is part of a series of reports produced by the International Press Institute looking into this phenomenon in Central Europe.

Over the past decade, illiberal-minded governments in Central Europe have increasingly abused state tools and regulatory competencies to distort the media market and undermine independent media.¹ Hungary's Fidesz government, led by Prime Minister Viktor Orbán, has led the way, developing a model of media capture and control that is increasingly being adopted by neighbouring countries, with adaptations to suit the local media market and political environment. In 2021, IPI covered in particular developments in Poland and Slovenia, whose governments have taken steps toward achieving a similar level of control over the media as in Hungary.

Buoyed by Fidesz's increasing control over and instrumentalization of media regulators, competition watchdogs, advertising agencies, and even the justice system, the Orbán government has assumed effective command over a vast range of nominally private media, in addition to public media. In some cases, media have also been closed or taken off air. The bulk of mainstream and public-affairs media are now owned by an effectively government-controlled foundation (KESMA) or by party-allied or party-dependent oligarchs, placed there by Fidesz, in some cases with the help of loans from state-controlled banks. The Hungarian government has used its economic, regulatory, and legislative competencies to manipulate the media market against the remaining independent media – undermining their reach and sustainability – while propping up propaganda voices that would hardly be viable without government subsidies.

An advantage of the Fidesz model is that it has allowed the government to capture the media landscape without having to use force, raid newsrooms, or jail critical journalists. This is by design. As the report from an IPI-led mission to Hungary in 2019 concluded, Hungary's systematic media takeover is “deliberately designed to deter scrutiny”.²

By working through supposedly independent bodies and relatively subtly subverting the rules of the media market, Fidesz, and parties inspired by it, have “ensured plausible deniability against accusations of meddling or market distortion and provided governments a semblance of strategic distance from events”.

While media capture can be generally understood as the co-opting of media to serve vested interests rather than the public good (through the publication of independent public-interest news), the Fidesz model represents a specific form of this phenomenon. It can be described as an effort by the dominant political force to use the powers of the state to capture and control the media in favour of advancing a political interest. In this situation, the line between party and state is blurred, “multiplying the repressive apparatus”.³ While private oligarchs certainly act in collusion and may benefit from the arrangement, the balance of power in the Fidesz model lies clearly with the government.

¹ see MFRR report: <https://ipi.media/mfrr-report-state-capture-and-media-freedom>

² <https://ipi.media/new-report-hungary-dismantles-media-freedom-and-pluralism>

³ <https://ipi.media/mfrr-report-state-capture-and-media-freedom-2>

One of the most useful conceptualizations of media capture was produced by Marius Dragomir in the 2019 paper *Media Capture in Europe*⁴ published by the Media Development Investment Fund. It identifies four key indicators for media capture, control of regulators, control of public media, misuse of public funds to control media and control of private ownership. Dragomir's report cites the Hungarian media market under Orbán as a "textbook case" of media capture.

As noted above, this model of media capture, itself modelled on developments in Russia, is spreading further in the EU, especially in Poland. Having already converted the public service broadcaster into a propaganda outfit, the current PiS-led Polish government, in parallel with its co-opting of the judiciary, has captured most of the media regulatory framework. Over the past 15 months the government has taken aim at assuming effective control over the otherwise vibrant media sector with the takeover of local media giant Polska Press via state-controlled energy company PKN Orlen and a quest to engineer the sale of independent broadcaster TVN into presumably government-friendly hands.

In Slovenia, Prime Minister Janez Janša is an ideological ally to Orbán but presides over a much weaker populist government. Nevertheless, Janša's government spent 2021 wrestling for control of public service media and establishing a private propaganda media bubble with the assistance of state funding and an influx of Hungarian capital.⁵

Another common regional feature of media capture is the fact that the politicized media takeovers have been facilitated by the withdrawal, in the wake of the 2008 financial crisis, of foreign media owners, especially German ones, but also Swiss, Swedish, and other investors. These owners, while profit-driven, were seen as having promoted professionalism in the media sector. After leaving or, in many cases, being pushed out, their holdings were distributed to pro-government players. The redistribution of previously foreign-owned media to friendly oligarchs was a decisive factor in Fidesz's rise to media dominance, but it is a pattern that is also seen in Poland, the Czech Republic, and Bulgaria.

This current report series by IPI examines the media capture situation in two additional countries in the region: the Czech Republic and Bulgaria. These reports aim to understand the modality of media capture in both countries and the extent to which the specific Hungarian model has taken hold. In both cases, an analysis shows that a distinct form of media capture in both the Czech Republic and Bulgaria exists, even as elements of the Hungarian model are present. A third report in this series takes a look at the use of Hungarian capital to reshape the media market in regional countries in the image of Fidesz's illiberal model.⁶

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⁴ <https://cmds.ceu.edu/article/2019-05-27/media-capture-europe-mdif-publishes-new-report-dragomir>

⁵ <https://necenzurirano.si/clanek/preiskovalne-zgodbe/skrivnost-12-milijonov-z-madzarske-za-financiranje-propagande-sds-926042>

⁶ <https://ipi.media/ipi-publishes-report-on-the-role-of-hungarian-capital-on-foreign-media>

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AN INTRODUCTION TO MEDIA CAPTURE IN THE CZECH REPUBLIC

In the Czech Republic the story of media capture has taken a different path in comparison to Hungary. Rather than a state-led media takeover channeled through government-friendly oligarchs, the Czech Republic, over the past decade, witnessed the acquisition of many of the country's largest private media outlets by a handful of oligarchs who were not linked at the time to political parties or serving their interests. These oligarchs' rationale for the purchase of mainstream media was more economic than purely political, being used to both increase their influence and promote their broader business portfolio, which often depend on favourable government relations and public contracts such as in agriculture, energy, and the finance and gambling sectors. In this case, therefore, the media landscape can be considered captured albeit in a partial (and multipolar) form and not as the result of a state-led strategy.

Hungarian Prime Minister Viktor Orban (R) and Czech Prime Minister Andrej Babiš (L) attend a talk show for ANO movement supporters in Usti nad Labem, Czech Republic, 29 September 2021. Orban is on an official visit to the Czech Republic.

*Photo by EPA/EFE
MARTIN DIVISEK*



However, one of those oligarchs, the industrialist Andrej Babiš, then used his media platform to propel him into government. From that position Babiš arguably sought to mirror certain strategies in Hungary and Poland, especially with regards to taking over the public service media, while also using the financial power of the state to influence private media, including those owned by other local oligarchs.

While these efforts have to date not been as dramatic as those in Hungary and Poland, it is also clear that Babiš's media policies were also tempered by leading a relatively fragile government that depended on the support of minor parties, complemented by a determined pushback by supporters of public-interest media and a sufficiently robust sector of independent news providers in the country. This contrasts to the situation in Hungary in particular where Fidesz has an iron-clad grip on nearly all public institutions, allowing it to remake the media market at will.

The defeat of Babiš's party, ANO, in the October 2021 elections provides a unique opportunity for the new government to review media regulation to put in place reforms necessary to ensure that the sector is fireproofed against attempts to assert control by future populist leaders.

THE OCTOBER 2021 PARLIAMENTARY ELECTIONS AND THE MEDIA

The elections to the lower house of the Czech Parliament in October 2021 led to a change of government, which fundamentally affects the situation of the media in the Czech Republic. Before the elections, five opposition parties declared a pre-election pact to defeat Andrej Babiš's ANO movement. Their victory enabled the Spolu coalition and the Pirate and Mayors coalition to form a government led by Petr Fiala as prime minister. Together, the two coalitions won a majority in the lower house with 108 of the 200 seats (they also have a majority in the upper chamber). ANO remained the single largest party and the SPD movement, perceived as extremist and opposed to the Czech Republic's membership of the EU, also won seats in the chamber. Meanwhile, the Communists and the Social Democrats failed to get into the Chamber of Deputies. Andrej Babiš's government had relied on both parties to form the previous government.

Czech Prime Minister and leader of the ANO movement, Andrej Babiš prepares for a television debate for the parliamentary elections at Czech Television in Prague, Czech Republic, 06 October 2021. The general elections in the Czech Republic will be held on 08 and 09 October 2021.

*Photo by EPA/EFE
MARTIN DIVISEK*



Just before he announced his entry into politics, Andrej Babiš became the owner of a significant part of the media in 2013 when he bought the largest domestic publishing house of quality news dailies from their German owner. Other oligarchs then followed his example by taking control of two other significant media companies from their German and Swiss owners. After Babiš's ANO movement succeeded in the 2013 elections and he became first finance minister and later, after the 2017 elections, prime minister, the decreased level of criticism of ANO in oligarchic-owned mainstream media demonstrated how much oligarchs, with their broad range of business interests, are prepared to use their media to maintain good relations with the government.

Public service media have also been affected. Public service media depend on the Chamber of Deputies, which both elects their boards (councils) and approves their management and sets the licence fees for viewers and listeners. The composition of the councils has changed over time, and during the period of Babiš's government they were filled by people who, instead of defending the independence of public television and radio, sought to replace the management and certain journalists.

Mainly due to consistent opposition from inside and outside the public service media, the great public attention paid to the work of the councils, and the fear that these changes would provoke a large public reaction, most of these personnel changes did not take place. However, the staff in these media worked under extreme pressure with journalists having to protect their independence and the quality of their work while in other cases compromises were visible.

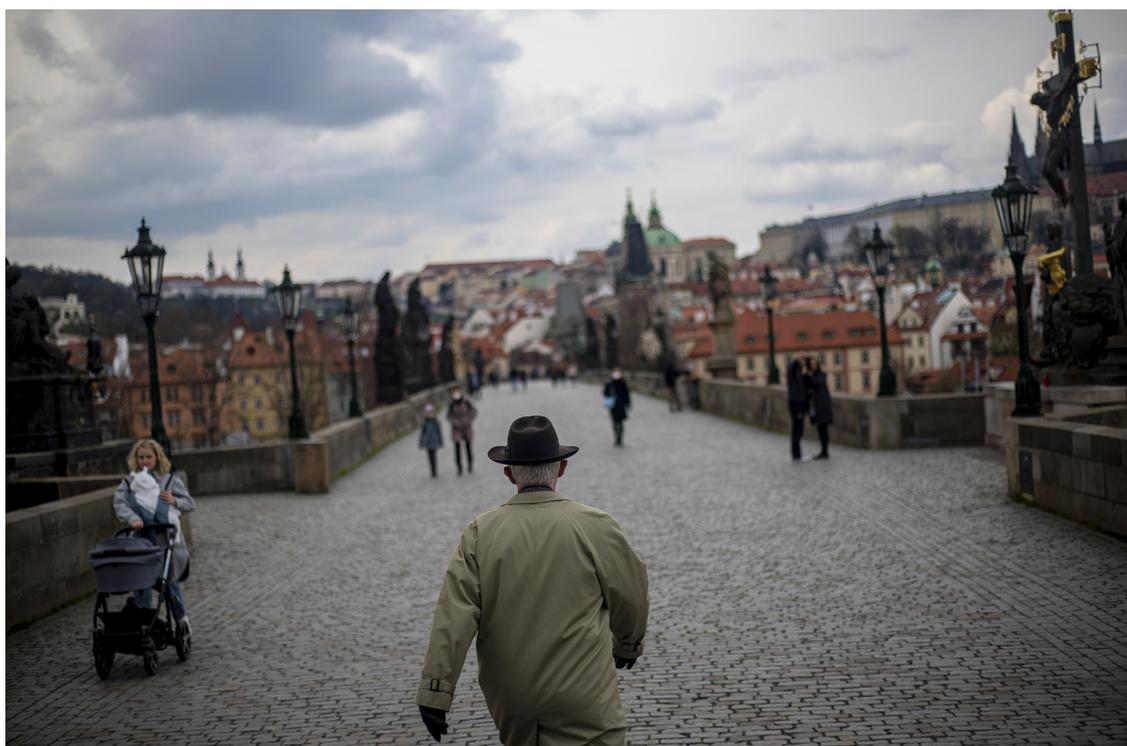
Czech society was also targeted with a massive disinformation campaign supported from Russia, which the Czech government failed to counter, enabling populist politicians, including those from ANO, to multiply the disinformation for their own purposes by repeating and even using it in the election campaign. Typical was the fearmongering over immigration, including the claim that, in the event of Babiš losing, migrants would soon be occupying the weekend houses of Czech citizens. From chain emails, such nonsense made its way onto election billboards.

In the wake of the oligarchic takeover of mainstream media, a plethora of independent media outlets have gradually emerged in the Czech Republic, providing independent coverage, representing a spectrum of opinion from left-wing to conservative, and playing a vital role in providing citizens with independent information. However, compared to the overwhelming resources of oligarch media, the independent sector operates in almost dissident conditions and with minimal funds. They are denied state advertising and are convinced that companies dependent on state business are afraid to advertise in them in case it would jeopardize their government contracts.

The new government faces the task of changing the conditions for the functioning of the media and the work of journalists. The timing for doing so could not be more advantageous. As the media emerge from the financial crisis forced upon it by the COVID-19 health pandemic, and with a growing recognition across Europe of the need to preserve media pluralism, quality, and independence, the new government has an opportunity to be a leading reformer to set the pace for action across Europe. It should, in particular, work constructively with efforts by the European Commission, which has committed to bring forward a Media Freedom Act to establish minimum standards that protect media regulatory independence and promote pluralism.

A man walks on Charles Bridge in Prague, Czech Republic, 13 April 2021. The Czech Republic reported its lowest daily coronavirus cases since September on 12 April 2021. According to Czech Ministry of Health, more than 28.000 people died during the COVID-19 pandemic.

*Photo by EPA/EFE
MARTIN DIVISEK*



PUBLIC SERVICE MEDIA

Czech Television (CT) has, for the past decade, stood out as the leading public broadcaster in the Visegrád region and the only one that can be said to be truly independent and delivering a strong public service. However, its success and independence, robustly defended by its current director general, Petr Dvorak, who is also a vice president of the European Broadcasting Union, put him and the broadcaster's independence in the sights of the government.

Czech TV and Radio are overseen by their respective 15-member councils.

Members are elected by the Chamber of Deputies for a six-year term. Article 4 of the Act on Czech Television provides that "the Council members shall be elected and recalled by the Chamber of Deputies of the Parliament of the Czech Republic with a view to due representation of important regional, political, social and cultural opinion trends within the Council".



Photo by Shutterstock/Josef Kubes

To achieve this "due representation", each candidate must be nominated by a civil society organization. A parliamentary election committee then makes a shortlist of candidates to present to the Chamber of Deputies, which, in turn, is expected to elect a balanced list of board members. In practice the system has been subjected to a degree of abuse as many candidates first obtained political support before finding an organisation to propose them. Candidates without a political backer, i.e., independent candidates, were thereby often excluded. However, the election itself usually achieved a consensus among the political parties so that elected candidates represented the political spectrum. Under Andrej Babiš, this practice changed.

In April 2020, 18 months ahead of the next parliamentary election, ANO managed the process to ensure that only candidates from the governing coalition were elected, ignoring the requirement for a balanced board, breaching Art 4 of the Act on Czech Television and undermining the perception of independence and impartiality of Czech public media.⁷

A year later, in April 2021, the parliamentary election committee was again accused of political manipulation when it presented a short list of 12 candidates to the Chamber of Deputies to fill four more positions on the board, all of whom were affiliated to ANO or its allies. After a public backlash, opposition parties succeeded in repeatedly blocking the election. The appointment of new council members is now on the agenda of the new parliament.

⁷ <https://ipi.media/concerns-over-further-politicization-of-public-tv-in-czech-republic-2>



Screenshot from ebu.ch

A second political tool that can be exploited to pressure the public broadcaster is for parliament to reject the broadcaster's annual report. If two annual reports are rejected in a row, parliament can abolish the council. During ANO's time in office the party deliberately withheld parliamentary discussion about, and therefore approval of, the public broadcaster's reports. This enabled the government to put pressure on the broadcaster, which had to operate knowing that at any moment, ANO could present and reject two annual reports from the broadcaster and dismiss the board.

Despite these efforts, Andrej Babiš's government failed to bring the public service media under his complete control. This was partly due to the relative weakness of the governing coalition, which restricted his freedom to fill the councils with his own nominees. Instead, as part of his negotiations with his coalition partners Babiš promised them seats on the council. As a result, the communists and the SPD, both extreme populist parties, had candidates completely ill-qualified and hostile to the principles of public service media appointed to the board.

The three candidates appointed in May 2020 included Luboš Veselý, an established media figure notorious for a lack of professionalism including attacks on other journalists; Hana Lipovská, who spent a year demanding the departure of the general director of Czech Television before being forced to resign for having breached the rules of political neutrality and then running for election on behalf of the Volny Blok party; and Peter Matocha, initially nominated by the Prague Chess Society, a journalist with Lidovy noviny of the Mafra media group belonging to Andrej Babiš. Matocha became chair of the council in December 2020.

The efforts by democratically minded Czechs and advocates for independent journalism to resist the takeover also generated much international attention and support from media freedom groups,⁸ which raised the political costs for the government.

Throughout Babiš's government, Czech Television and Czech Radio had regular programs featuring independent journalists critical of the government. At the same time, however, editorial compromises were clearly made.

Coverage, for example, of the prime minister's conflicts of interest and reports on him issued by the European Parliament and his role in directing EU funds towards his own agricultural business, Agrofert,⁹ were often played down and given disproportionately little space.

⁸ <https://ipi.media/concerns-over-increasing-meddling-in-independence-of-czech-public-broadcaster>

⁹ https://www.europarl.europa.eu/doceo/document/TA-9-2021-0282_EN.html

Journalists working for the Babiš-owned Mafra media company were often invited to participate in political discussions and were presented as independent political commentators without mention of their company's link to the prime minister. By contrast, journalists working for independent media were rarely invited. These are examples of ways in which the management of both public service media outlets compromised editorial policy, and their professional and legal obligations to the public, to avoid provoking the prime minister.

The third major threat to Czech public media is chronic underfunding, which undermines their ability to maintain standards and reach. The current license fee was fixed in 2008 for television at 67 euros and in 2005 for radio at 22 euros, and has not changed since. With inflation, the budget suffers a year-on-year reduction and, as a result, by 2021 the income from the license fee had fallen by a third in real terms. Suppressing the fee enables politicians to pressure public service media.

MEDIA OWNERSHIP AND OLIGARCHIZATION

For a detailed overview of media ownership in the Czech Republic please refer to the author's contribution to the report "Four Shades of Censorship Media Market Trends and distortions in the Czech Republic, Hungary, Romania and Slovakia"¹⁰ published by Mérték Media Monitor in collaboration with Michal Klíma and Eva Hanáková.

Following the fall of communism and the restoration of democracy, most Czech media were purchased by a range of foreign owners mainly from France, Germany, and Switzerland, with the German owners gradually prevailing. They were purchased as economic investments that generated high profits, of which some were reinvested and the rest transferred to their home countries. The foreign owners brought high professional standards to the media and did not interfere in the editorial content.

The 2008 economic crisis and the declining media financial model in the digital age led to a collapse in revenues, setting the stage for an exodus of foreign investors and their replacement by Czech owners, many of whom had diverse business interests. In 2013, Andrej Babiš, then the third-richest man in the country thanks to his Agrofert conglomerate, emerged as the first significant Czech media buyer. In the spring of 2013 he purchased the company Mafra for an undisclosed price from the German Rheinisch-Bergische Verlagsgesellschaft. Mafra publishes three leading news dailies – MF Dnes, Metro, and Lidové noviny – and is ranked as the strongest media company in the country with a reach of up to 3.4 million readers and 7.4 million digital users.

Extensive corruption allegations against Babiš had been circling in the media at the time, and taking over a major media company was seen by observers as an effort by Babiš to counter these criticisms. Babiš was also at the time plotting his entry into politics and is considered to have seen the purchase of Mafra media as an essential springboard to political success.

The purchase had a significant effect on the media's editorial positioning. The ease with which Babiš could not just neutralize but even turn his critics was underlined when one of his most outspoken detractors at MF Dnes, respected columnist Martin Komárek, now his employee through Mafra, became a vociferous supporter. Komárek even subsequently joined ANO and won election to parliament.

In the autumn of 2013 ANO won the second-highest number of seats in the election and became a coalition partner in the government in which Babiš was appointed minister of finance and deputy prime minister. Four years later, ANO won the parliamentary elections and Babiš took over as prime minister.

Two other powerful financial groups, following Babiš's example, acquired large media companies. In December 2013, Daniel Křetínský, a Czech billionaire and owner of EPH, the largest energy company in Eastern Europe, purchased the Czech News Centre from Ringier Axel Springer whose titles included the most popular Czech daily, Blesk, and other tabloids. In 2015, the Czech-Slovak group Penta, which had been implicated in a massive corruption scandal known in Slovakia as the Gorilla affair, bought the publishing house Vltava-Labe-Media from Verlagsgruppe Passau consisting of 70 regional daily newspapers and family magazines. While Mafra makes up 33 percent of the Czech newspaper readership, Czech News Center represents 38 percent, and Vltava-Labe-Media 17 percent.

¹⁰ <https://mertek.eu/2021/11/04/four-shades-of-censorship-media-market-trends-and-distortions-in-the-czech-republic-hungary-romania-and-slovakia>

Overview of Czech Newspaper ownership¹¹

OWNER	MEDIA COMPANY	NEWSPAPER	NON-MEDIA BUSINESS	READERSHIP SHARE OF NEWSPAPERS
Agrofert (Andrej Babiš)	MAFRA mafra	Mladá fronta Dnes, Lidové noviny poté, Metro	chemistry, agriculture, food processing, forestry and timber, renewable resources and fuels, technologies	33%
Czech Media Invest (Daniel Křetínský, Patrik Tkáč)	CZECH NEWS CENTER CNC⁷	Blesk, Aha!, Sport, E15	banking, financial services, energy business, real estate	38%
Penta (Marek Dospiva, Jaroslav Haščák)	VLTAVA -LABE -PRESS VLP	Deník	healthcare, financial services, retail, manufacturings, real estate	17%
Zdeněk Bakala	ECONOMIA e.economia	Hospodářské noviny	corporate finance, M&A, corporate management, public relations and marketing	4%
Zdeněk Porybný, Ivo Lukačovič	BORGIS 	Právo	none	8%

This completed the transformation of the Czech media market from one consisting of foreign, “pure”¹² media owners whose investments were largely restricted to media, to one dominated by Czech/Slovak-based “industrial media owners” whose media investments were strategic extensions of a broad portfolio of companies in other economic sectors such as energy, agriculture, and real estate.

This “oligarchization” of the Czech media scene led to a collapse of standards as the new owners prioritized both profit and political influence over journalistic quality. It also led to a hollowing out of the media profession. Dozens of quality journalists were either forced out or resigned in protest at the levels of editorial interference imposed.

The exodus of foreign owners has been a key driver of media capture in other Central European countries.

¹¹ Media project survey by agencies Median and STEM/MARK for the Association of Publishers

¹² The concept of ‘pure’ and ‘industrial’ media owners developed by Tunstall and Palmer, 1991.

In Hungary, Fidesz engineered the transfer of media from foreign owners to government-aligned oligarchs who would ensure favourable coverage. Eventually, most of these media were consolidated into KESMA, a foundation effectively controlled by the government and its allies. In the Czech Republic, by contrast, this ownership transfer was not state-driven, with media instead falling into the hands of different centers of private oligarchic power. In principle, while the oligarchization of media ownership is obviously problematic for numerous reasons, this development could potentially at least ensure a degree of media pluralism by preventing any one single force – private or state – from controlling the mainstream media landscape.

Indeed, at the time of their purchases, both Penta and Daniel Křetínský claimed that their investments would help to counterbalance the media influence of Andrej Babiš and they repeatedly declared a guarantee of non-interference in content. However, it has gradually become clear that instead of providing robust coverage of ANO in government, the media owned by Penta and Křetínský limited their criticism of Babiš, suggesting an effort to curry favour. Why might they do this?

Křetínský's businesses operate in the energy and waste management sector and Penta in the gambling industry. In addition, the company PPF, described below as an important owner in the television market, is heavily involved in the banking industry and energy sectors. All of these sectors depend on good relations with the government. For example, a 2019 article published by the independent investigative outlet Hlídací pes, "Babiš also uses his political power to trade with influential billionaires",¹³ shines a light on how Babiš's threats to impose higher taxes in the gambling sector may have helped win better media coverage from Penta's media in Vltava Labe.

Former Deputy Finance Minister Ondřej Závodský, who now works for the Foundation Against Corruption, is quoted in the article as saying,

"This is a way of exercising Babiš's influence. Influential people in this business have a reason to go to Babiš, to plead with him, and they can offer deals that the public cannot see and that should also remain behind closed doors."

Blunter examples of interference in the media and the election process were seen when, during the 2021 parliamentary election campaign, a printing company owned by Daniel Křetínský cancelled a contract to print and distribute two million copies of a special pre-election edition of the newspaper Týdeník Forum, the weekly print version of Forum24, a critical news outlet that has been refused access to government press conferences.¹⁴ The newspaper was forced to import the printed paper from abroad.

Commercial radio and television are also largely owned by oligarchs. Andrej Babiš's Agrofert owns Londa with 13.6 percent of the radio market while Daniel Křetínský owns Czech Radio Center with 17.5 percent of the market.

¹³ <https://hlidacipes.org/Babiš-vyuziva-svou-politickou-moc-i-k-vymennym-obchodum-s-vlivnymi-miliardari>

¹⁴ <https://ipi.media/czech-government-must-reverse-exclusion-of-critical-media-from-press-conferences>

The country's most influential private television station, TV Nova, was purchased by the financial group PPF in 2020, which was owned by billionaire Petr Kellner before he died in a helicopter crash in 2021. PPF purchased TV Nova's parent company, CME, which includes TV stations in Slovakia, Slovenia, Bulgaria, and Romania and as a result had to receive approval from the European Commission¹⁵ before it could go ahead.

PPF also has significant business interests in China through the consumer loans company Home Credit. Home Credit and PPF have been accused of conducting a pro-Chinese communications campaign¹⁶ to promote and protect its investments in China where the company provides over 300 billion Czech crowns of credit (12 billion euros), raising questions about possible efforts to influence editorial lines throughout the CME media network including the Czech Republic.

The other major television network is TV Prima, owned by Ivan Zach, a Czech billionaire with investments in real estate and manufacturing. TV Prima and the CNN Prima News channel (broadcasting under a licensing agreement with the U.S. company CNN) have been uncritical of the Babiš government and very supportive of President Zeman. TV Prima has also been criticized over its reports on refugees by the Council on Radio and Television Broadcasting.¹⁷

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¹⁵ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1842

¹⁶ <https://zpravy.aktualne.cz/domaci/home-credit-ppf-petr-kellner-campaign-china/r~265579361bf511ea926e0cc47ab5f122>

¹⁷ <http://www.romea.cz/en/news/czech/czech-broadcast-regulator-says-tv-prima-must-explain-its-manipulation-of-news-reporting-about-refugees>

GOVERNMENT ADVERTISING

The misuse of government advertising to reward positive coverage and punish critical media has become an increasingly significant tool for influencing media coverage in countries where the government seeks to influence and capture the media. The oligarchization of Czech media, a process that included having the owner of the country's largest media company act as minister of finance and then as prime minister, made the potential misuse of government advertising funds an obvious concern.

It has been difficult for Czech journalists to fully report on how advertising is spent by different ministries due to a lack of government transparency. However, what has been revealed is sufficient to suggest that the system is certainly subject to abuse and in need of reform. In May 2020, Marketa Chaloupská, who leads the investigative journalism team at Czech Radio, published reports on iRozhlas.cz that Czech Railways had spent 4.6 million euros worth of advertising in the Mafra media group since 2015. Over the same period Křetínský's Czech News Centre, with a larger market share, only received 700,000 euros. The former CEO of Czech Railways, Miroslav Kupec, claimed he was advised that there was a direct interest to fund Mafra: "It was generally desirable that it should be Mafra, the link was clear and there was not much to discuss. There was an interest in making sure that this particular publishing house had as much work as possible."¹⁸ According to Kupec, one of the publishing house's top managers, Director of Strategic Development František Nachtigall, lobbied directly for higher revenues for Mafra. Former ANO Transport Minister Vladimír Kremlík recently said that Babiš bypassed him and directly managed Czech Railways himself.¹⁹ Kremlík was unhappy but accepted, reasoning that "the higher decides".



Photo by Shutterstock

In 2019, the investigative journalism website [investigace.cz](https://www.investigace.cz)²⁰ published a series of articles on state advertising that revealed further instances of ministries prioritizing funds for the Mafra group. It also revealed how the practice is not restricted to ANO ministers. Other parties' ministers also directed funds to their party's favoured media. In 2011, Environment Minister Tomáš Chalupa of the ODS party directed most of the department's advertising budget to the Young Conservatives organization to provide "room for independent exchange of opinions". And the Social Democratic Party, previously coalition partners to ANO, directed spending to *Parlamentní listy*, a well-known promoter of Russian propaganda and disinformation.

¹⁸ https://www.irozhlas.cz/zpravy-domov/bylo-vseobecne-zadouci-aby-byla-mafra-ceske-drahy-utratile-za-reklamu-v-mediich_2005200555_ace
https://www.irozhlas.cz/zpravy-domov/podcast-vinohradska-12-andrej-Babiš-marketa-chaloupska-ceske-drahy-agrofert_2005210600_mpa

¹⁹ https://www.irozhlas.cz/zpravy-domov/vladimir-kremlik-rozhovor-ministersto-dopravy-uplatek-zakazka-andrej-babis-ceske_2002220600_cha

²⁰ <https://www.investigace.cz/statni-reklama-ministerstva-a-jejich-medialni-partneri>

In 2021, the government spent 4.5 million euros on its COVID-19 public health campaign but such is the lack of transparency, that by end of January 2022, two months after the new government took over, the ministry of health is still unable to say who the beneficiaries of this money were.

While a lack of detailed information prevents a full overall assessment, it is clear that the system of state-sponsored advertising in the Czech Republic is in substantial need of reform.

As this report was being finalized, the weekly Forum published an analysis by the Datlab data analyst company revealing that 140 million Czech crowns (5.75 million euros) had flowed into the Mafra publishing house from public institutions between 2018 and 2020.

The new ministers for defense, where some 865,000 crowns were spent, and for culture, where 15 million crowns have been allegedly spent by the Czech Philharmonic alone since 2018, have both committed to investigating all past departmental contracts with Mafra to explore the extent of the funding

This flow of money into companies owned by the prime minister took place despite a provision in the Conflict of Interest Act excluding the funding of a company through public tenders and procurement in which a public official (or person controlled by that official) owns a stake of 25 percent or more.



Andrej Babiš put his Agrofert holding into a trust fund in 2017 to be managed separately while he was prime minister.

Despite this, European Commission auditors concluded that Babiš still controlled Agrofert and that the awarding of millions of euros of EU subsidies to Agrofert constituted a breach of national and EU conflict of interest legislation²¹.

Czech MEP Jiří Pospíšil commented for Forum: "The former prime minister simply went into politics to help his companies. The purchase of media outlets, which he then financially supported from the ministries' budgets, is one of the highlights of his conflict of interest that probably few of us could have imagined."

German Green MEP Daniel Freund, who took part in an audit mission to the Czech Republic in 2020, added, "The MEPs' reservations also apply to the disbursement of Czech taxpayers' money. In the Czech Republic, the control mechanisms that are supposed to prevent conflicts of interest of top politicians clearly do not work."

²¹ <https://www.politico.eu/article/commission-audit-spells-long-road-ahead-for-czech-pm-babis>

The heavy subsidies enjoyed by Mafra may also explain why the Czech government ignored the financial crisis facing the media during the COVID-19 pandemic and excluded media from its 200 billion crowns national recovery plan developed in 2021 and funded by the European Union. Ondřej Neumann effectively argues in his *Hlídací pes* piece²² that Babiš was prepared to watch the rest of his media rivals fail while Mafra media remained afloat on government funds.

Independent media, meanwhile, generally receive little or no state advertising. In addition they are convinced that there are cases where companies withdrew their advertising from independent media because they feared retaliation from the authorities controlled by Babiš. This is very hard to prove as advertisers are reluctant to openly declare their fear of the government. However, Ondřej Neumann, editor of *Hlídací pes*, describes a typical conversation with marketing managers as follows: "I would like to support you or place an advertisement. I know it's wrong. A politician can't own the media. That's obvious. But if I openly declare it, Andrej will squash me. I don't want to end up like Mr."

State advertising is not the only source of state funds directed to the media. Publishing houses also operate printing and distribution facilities used for producing informational materials for state-led campaigns. This includes campaigns for the State Post Office, the State Forests, the State Railways, and related to the COVID-19 pandemic, the budgets for which are comparable to or exceed the advertising budgets of large commercial entities.

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²² <https://hlidacipes.org/ondrej-neumann-Babiš-sva-media-uzivi-ze-statu-a-agrofertu-ostatni-hazi-pres-palubu>

INDEPENDENT MEDIA

Seznam: The List search engine



One of the key distinguishing features of the Czech media scene is that one of the country's leading search engines is a homegrown company that has now turned into a significant news content provider: Seznam (The List). It was founded by Ivo Lukačovič as a student in 1996 as a Czech-language version of the then-dominant search engine Yahoo. It quickly developed a dominant position in the Czech market until Google overtook it with the onset of smartphones where Google was installed as the default search engine in Apple and Android phones. Seznam brought a complaint against Google which led, in 2018, to the European Commission issuing a record 4.34 billion euros fine against Google for anti-trust behaviour.²³ Seznam adapted to Google's dominance by investing in news services through its two leading news websites: Novinky (The News), which is produced by the editorial team of the daily Právo, and Seznam Zprávy (Seznam News), which has its own editorial team. In recent years it has also operated a terrestrial television channel, televizeseznam.cz.

In addition, and perhaps crucially for the supply and accessibility of independent news, Seznam also publishes news from other news sites on its main page under an advertising share agreement. Seznam has been vital for the survival and growth of the range of smaller independent news sites established since the oligarchic takeovers, providing a platform that offers them a far larger reach to the public than they would otherwise have if they depended on Google's algorithm.

The size of its contribution to boosting a media's readership is difficult to accurately quantify. Anecdotal evidence, however, shows that it can have a strong impact. For example, a Forum24 article about the misuse of the law against former minister Vlasta Parkanová published in January 2022 initially drew 30,000 readers. The next day it was placed on the Seznam home page where it drew 200,000 readers in one day.

Seznam is today the strongest company on the Czech online media market with 56 percent of internet page views, excluding Facebook and Google. In 2019 it posted a sales revenue of 183,931 euros, second only to TV Nova at 213,882 euros.²⁴ While Seznam has no official value, its founder, Ivo Lukačovič, was ranked by Forbes as the Czech Republic's 15th richest individual²⁵ with an estimated worth of 17 billion Czech crowns (approximately 700 million euros).

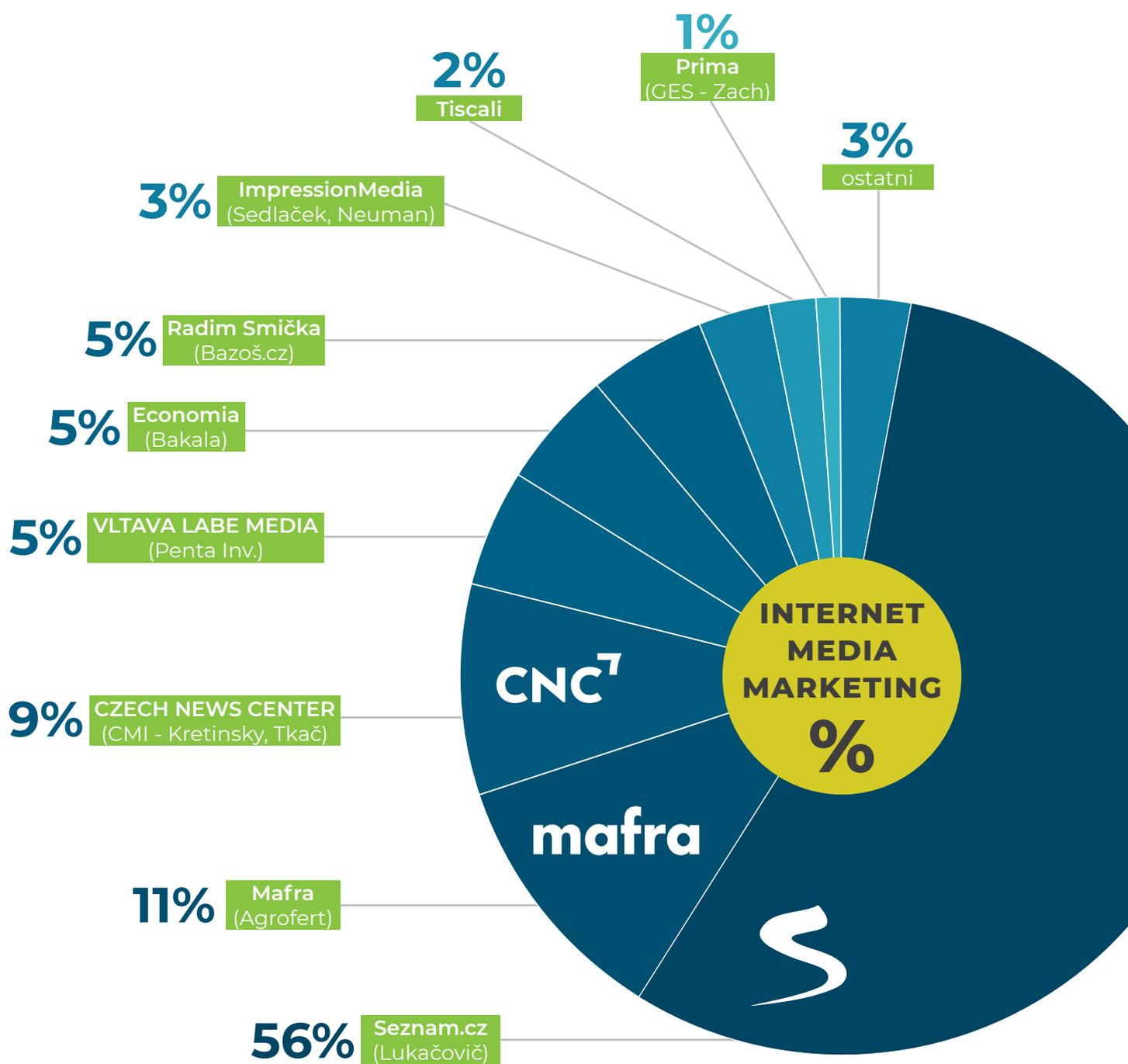
²³ <https://www.nytimes.com/2022/02/02/technology/google-seznam-antitrust-czech-republic.html>

²⁴ [Mediaguru.cz](https://mediaguru.cz)

²⁵ <https://forbes.cz/nejbohatsi-cesi-2020/detail/ivo-lukacovic>

Share of Internet on page views (%)²⁶

(Facebook and Google not included)



²⁶ Source: Results from Netmonitor by Gemius S.A. for SPIR (Association for Internet Development)
https://mertek.eu/wp-content/uploads/2021/11/Mertek-fuzetek_20.pdf

Economia

e.conomia Zdeněk Bakala was the first domestic entrepreneur to buy media from a foreign owner when, in 2008, he purchased Economia, which publishes economic newspapers and magazines in the Czech Republic and Slovakia, from the German company Handelsblatt. Bakala was already the publisher of the opinion weekly Respekt, which has its origins in the samizdat publications of the communist era. Bakala gradually abandoned his other businesses to focus on the media sector and, as a result, unlike today's dominant media oligarchs, is not dependent on good relations with the government to maintain other business interests. Bakala's most influential media are the daily Hospodářské noviny ("Business news"), the website Aktualne, and the weekly Respekt. Together they make up approximately 4 percent of print readership.

The arrival of the media oligarchs saw many leading journalists leave their jobs to establish new independent publishing projects. A plethora of independent media outlets was created, including Deník N, Magazín Reporter, Neovlivni.cz, Investigace.cz, Deník Referendum, A2larm, Echo 24, Hlídací pes, Forum24, and Tydeník Forum.

Deník N



Probably the most prominent and the most expensive project is Deník N (The N Daily, N = nezávislý = independent), which was founded by a group of Czech entrepreneurs in 2018. It is based on, and a partner of, the successful Slovak Denník N, founded in 2014 by the editorial staff who left the Slovak daily SME after it was acquired by Penta following the Gorilla affair. Deník N is a news website with a relatively large editorial staff of about 60 journalists. It also publishes a newspaper from Monday to Friday, using a very simple graphic design. The website is almost entirely behind a paywall and the print newspaper is for purchase. In its three years of existence, Deník N has gained over 22,000 paying subscribers. The Czech version is not yet as successful as its Slovak partner, which, after six years, has about 65,000 subscribers and operates safely in the black.

Forum24



Launched in 2015 by Pavel Šafr, a well-known journalist with a distinguished career as editor-in-chief of numerous Czech newspapers including Reflex, Blesk, Economia, and MF Dnes, Forum24 has a very different business model from Deník N. The website provides free content and earns revenue from advertising and newspaper sales. A significant source of income is the permanent readers' collection, where readers make regular voluntary payments. It has also been supported by the Endowment Fund for Independent Journalism (see more on the fund below). In the fourth quarter of 2021, Forum24 reached monthly traffic of 1.9 million real users, competing with news websites owned by oligarchs.

In mid-2021, Forum24 launched a weekly newspaper, Týdeník Forum (Forum Weekly), inspired by the Hungarian opposition newspaper Magyar Hang. Within three months, sales of the weekly exceeded 12,000 copies, more than half of which are subscribers, whose numbers are growing. The launch of the weekly was marred by a dispute with Czech public radio, where Forum24 wanted to promote the launch with the wording "We are giving back to the Czechs the newspaper that the oligarchs took from them". The radio management rejected the original advert before finally agreeing to a truncated version of "We are returning the newspaper to the Czechs". In a separate incident, a private billboard company refused to allow an ad for the weekly to include a sentence in Russian highlighting the threat of growing Russian influence in the Czech Republic. These two examples illuminate some of the problems faced by independent media.

Other important independent media include

- Reporter magazine, set up by Robert Čásenský, a former editor-in-chief of MF Dnes who departed after Andrej Babiš acquired Mafra. Reporter is a monthly investigative journalism magazine
- The weekly Echo 24, set up by Dalibor Balšínek, former editor-in-chief of Lidové noviny and member of the Mafra board of directors until his departure following the takeover by Babiš.
- Neovlivní, an investigative journalism site focusing on Czech politicians, set up by Sabina Slonková, who was previously editor-in-chief for MF Dnes for six months in 2014 before resigning.
- Hlídací pes (Watchdog), founded by Ondřej Neumann, a former deputy editor of news for Czech TV News and former editor-in-chief of Ekonom, with the former BBC Czech journalist Robert Břešťan as editor-in-chief of the website. Hlídací pes contributes to the Forum Weekly and its website focuses on political events and the media industry.
- The Referendum daily and A2larm are two left-wing news sites that also make up the Czech independent internet media scene. Both have been highly critical of the ANO government.

Independent media face many obstacles in their work with the authorities often refusing to cooperate with them. During the COVID-19 lockdown, journalists from independent media were blocked from press conferences with both the Government Office and that of the president often refusing to answer their questions. In May 2021, the presidential office even issued a public list of media outlets to which it would not respond.²⁷ Despite protests by the IPI Czech National Committee and many other international organizations, the Czech authorities did not respond to these criticisms or change their behavior.

The financial situation of independent media projects is often complex and most of them struggle to turn a profit despite their high level of efficiency. Some receive funds from sponsors, often small or medium-sized entrepreneurs, but most rely solely on their readers. A few independent media also run publishing side businesses to supplement income. The continued support of small Czech donors shows the public awareness of the need for independent media and a willingness to support their existence.

²⁷ <https://ipi.media/czech-presidents-office-bars-certain-media-outlets-from-receiving-information>

Endowment for Independent Journalism (NFNZ)



The Endowment for Independent Journalism²⁸ (NFNZ) plays a special role in promoting quality independent journalism in the Czech Republic. It was founded in 2016 in response to the “concentration of ownership of media titles in the hands of people with a great economic and political influence”, otherwise known as the oligarchization of Czech media. It describes its purpose as “to support editors and individuals who are engaged in serious journalism and honor the principles of liberal democracy. It helps spread free, pluralist and socially important information through grants, awards and professional assistance.”

The idea to establish the fund came about when businessmen from a group of medium-sized businesses met at the Prague Business Club to discuss media and politics and the need to save the role of independent media in society and politics. The founders decided to create a new model of support for independent media, resulting in the launch of the first business foundation to support independent journalism in Central Europe: NFNZ.

NFNZ raises funds from its members and other donors in the business community to provide grants to journalists and independent media to help them survive.²⁹ The fund also supports media literacy education, the fight against fake news, and has developed its own unique tool called MediaRating to help readers navigate the vast media market. MediaRating measures media trustworthiness and credibility by reviewing issues including the transparency of ownership, financing, and adherence to journalistic standards such as separation of news and commentary and quality of sources, etc. This system makes it easy to see which media are truly professional and which websites or news outlets are just promotional and disinformation tools. The independence of the fund is a guarantee of the independence of the rating.

The rating system serves more than just a niche interest or guidance for NFNZ funding decisions. It plays a central role in the ability of the small, under-resourced independent media to reach beyond their bubble to a broader national audience. This is the case because one of the country’s leading search engines, Seznam, only places articles with an A or B rating on its homepage, thereby boosting quality journalism and helping diminish untrustworthy news providers and remove disinformation. Unlike in other countries where Google algorithms promote the largest and therefore often the most captured media, thanks to this unique set-up Czech independent media are able to compete with the oligarch-backed media giants.

According to Kateřina Hrubešová, CEO of NFNZ,

“MediaRating cultivates the media environment in our country and makes it easier for readers to choose media that adhere to journalistic standards. In doing so, it contributes to the promotion of independent media and strengthens democracy in our country.”

²⁸ <https://www.nfnz.cz/en>

²⁹ List of current projects <https://www.nfnz.cz/o-fondu/projekty>
And past projects funded <https://www.nfnz.cz/o-fondu/projekty/ukoncene>

Ondřej Tolar, Newsfeed manager at Seznam, explained, “In the search results, we display warnings about controversial content based on matches from NFNZ, Konspiratori.sk, Semantic Visions and Conspiracy Atlas. In Newsfeed, we are primarily concerned with a greater emphasis on quality, the widest possible range of topics and a fair approach to readers so that they do not have to face misleading headlines or texts. NFNZ uses a qualitative research method to evaluate media based on pre-defined criteria that are known to all and apply to all in the same way. Every website has the opportunity to meet these criteria and therefore improve its rating. In this respect, it is a completely fair approach, the principles of which we accept and use in our Newsfeed recommendations.³⁰

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³⁰ Konspirátori: [Konspiratori.sk](http://konspiratori.sk); Nelež Initiative: [Nelez.cz](http://nelez.cz); NFNZ Media Rating: <https://www.nfnz.cz/rating-medii>; Conspiracy Atlas: <http://www.atlaskonspiraci.cz>; Semantic Visions: <https://semantic-visions.com>; Seznam.cz with the newsfeed: <https://www.seznam.cz>

RUSSIAN DISINFORMATION

While not a primary focus for this report it is impossible not to address the issue of Russian disinformation and its impact on the Czech media scene. The European Values Centre for Security Policy issues annual reports on the state of Czech disinformation. According to the 2020 report,³¹ the core of the Czech disinformation scene is made up of around 40 active disinformation websites. However, the pandemic year saw a significant increase in disinformation sites and output. The report provides:

- an updated list of active and relevant disinformation sites;
- basic statistics on the activity and readability of individual websites;
- a division of the websites into groups according to the content produced;
- the most important Czech and foreign cases discussed on the disinformation scene in the past year;
- trends that have changed or affected the disinformation environment over the past year; and
- a list of the most active disinformers among politicians.

The report states that disinformation websites published an average of 16,321 articles per month, an increase of 1,211 articles (or 8 percent) compared to 2019.

According to the report, the main targets of the Czech disinformation scene were the following:

1. Czech Commissioner and European Commission Vice-President Věra Jourová, who is in charge of values and transparency. She is often accused of censorship for her role of combating disinformation around the COVID-19 pandemic.
2. The Czech secret service (BIS). Its annual report explicitly articulates the risks of Russian and Chinese influence in the Czech Republic.
3. Public service media and specific members of the Czech Television and Czech Radio councils. 2020 saw over 10,000 articles related to the Czech public media and its councils including focusing on the election of new members of the council where they backed or attacked specific candidates.
4. Alexey Navalny, probably the most prominent Russian opposition politician, was the subject of 1,864 articles, mostly designed to deny the role of the Russian Federation in the poisoning of Navalny with the Novichok nerve agent in August 2020.

³¹ <https://europeanvalues.cz/en/annual-report-on-the-state-of-the-czech-disinformation-scene-in-2020>

CHALLENGES FOR THE NEW GOVERNMENT

The victory of the Spolu coalition in the October parliamentary elections can be attributed to a range of circumstances, but the fact that public opinion was not completely overwhelmed by pro-government media or disinformation outlets was a very significant factor. Both the public service media and the independent media played their watchdog role and provided independent sources of information. This situation stands in stark contrast to Hungary and Poland, where the public broadcasters produce government propaganda backed by government aligned private media.

In the Czech Republic, Andrej Babiš did not succeed in controlling content throughout the Czech media. He fully controls, through Mafra, a very substantial part of the print and internet market and until now had been able to influence other media owned by oligarchs dependent on good relations with the state and/or Babiš's own business empire. Crucially, however, he failed to assert control over the public media, and two large media companies, Seznam and Economia, remained beyond his reach.

The financial crisis of 2008 and the collapse of the economic model for legacy media set the scene for today's democratic crisis in media, creating an enabling environment for the oligarchization of Czech media, one in which media serve the interests of their owners over that of the public. Indeed, these media, in a bid to ensure profits over quality, oversaw a steady reduction in staff numbers, and an exodus of experienced and professional journalists. Therefore, independent of the level of state influence over private oligarchs, as in the Babiš era, the oligarchization of the media in the Czech Republic remains a clear threat to the existence of a healthy media market that can provide independent information for citizens.

Overall, the Czech media sector remains vulnerable to media capture and, without a robust defense, may succumb to future efforts. It is important, therefore, that the new government recognize the crucial importance of independent media for the preservation of democracy and act now to reform and build its defenses. In this section, we highlight six key areas of action to better safeguard media freedom and pluralism in the Czech Republic.

Area 1 - Ensuring and promoting media pluralism

In the Czech Republic, despite the high concentration of media in the hands of a few owners, a level of media plurality remains. A range of new independent media offer vibrant competition for the oligarchic media, although their future remains unsecured and vulnerable. Indeed, in the long term, this plurality cannot endure without government policies to prevent further media concentration. Targeted support for the creation and development of new media through arms-length funding mechanisms is recommended.

The government should establish a working group of experts to develop a range of policy proposals to protect and promote media pluralism and quality journalism. It must recognize public interest journalism as a public good to be protected by the state. Media is not simply another economic entity and regulators, whether competition or media regulators, must apply media pluralism standards based on quality and independence, in their oversight of the media sector.

Here the efforts currently being made by the European Commission in the preparation of a Media Freedom Act must be acknowledged. The Czech government should constructively cooperate with this initiative.

Area 2 - Independence and sustainability of public service media

New laws on Czech Television and Czech Radio must be adopted as soon as possible. In particular, a new method of election to the councils of public media must be established. There must be no repetition of the situation in which the councils are occupied by people seeking to subvert and damage these media instead of guaranteeing their independence and development.

A year before the elections, independent civic organizations, including the IPI Czech National Committee, the Endowment for Independent Journalism (NFNZ) and the Reconstruction of the State civic association prepared amendments to the Czech Television and Czech Radio Acts to be adopted by the lower house in the case of an opposition victory. The draft law is now ready and, if passed, will help safeguard public service media against future attempts to take it over.

The key reforms include:

- Election of the public media councils by the Chamber of Deputies and the Senate (currently only the Chamber of Deputies)
- Nominations of council members only by long-established institutions (currently any ad hoc group can be used to nominate members)
- Candidates must fulfill criteria of impartiality and professionalism (currently no minimum criteria exist)
- End power to remove council members if parliament rejects annual report
- Introduce the reviewability of council decisions by independent courts (currently it is not possible to legally challenge decisions)

For a more detailed review of the reforms proposed for public service media see the article “After Czech Elections, new push for public service independence” by the independent outlet Hlídací pes as part of a content series in collaboration with IPI.³²

The government should also guarantee the sustainable funding of public service media, through the licence fee and other sources independent of the government, so that the public service media are able to meet their obligations in a period of rising costs, advancing technology, and changes in public expectations and needs.

Area 3 - Reducing misinformation and promoting media literacy

This report does not fully address the dangers of disinformation campaigns from third countries, most notably Russia, but China, too. Social networks and digital platforms, in particular Facebook and Google, are easily exploited for targeted disinformation campaigns due to their automated algorithms. Much more must be done to address the threat and efforts to undermine the country’s democratic fabric.

³² <https://ipi.media/after-czech-elections-new-push-for-public-media-independence>

It must be said from the outset that concerns about disinformation cannot be used to introduce legislation that ultimately harms freedom of expression. In the Czech Republic, there is existing legislation that can be used to sanction the deliberate dissemination of false information that, for instance, threatens state security, public safety or incites hatred toward certain groups, although it is clear that the implementation of this legislation must fully respect international standards on free expression and must not interfere with dissemination of public interest news and information.

But crucially, legislation is not the only – or even the most effective – manner of combating disinformation. On the one hand, the funding of disinformation platforms (such as the Social Democratic Party channeling money to Parlamentní listy) through state advertising budgets must cease. Quality and respect for journalistic principles should be key criteria for receiving state funds in any form, although oversight of such criteria must always be subject to independent management and review to prevent state abuse.

On the other hand, the state can also do more to counter misinformation by funding media literacy programmes that help expose and refute disinformation. A lack of media education means large parts of the population are susceptible to false information exploited by populist politicians, most obviously exposed by the threat to public health caused by disinformation around the COVID-19 pandemic.

Area 4 - Policy towards digital platforms .

The digital platforms, in particular Facebook and Google, today earn most of the advertising revenue on which the news media traditionally depended, provoking an economic crisis across the media. The state has also seen a collapse in tax revenues as the digital platforms avoid tax on incomes that domestic media would otherwise have paid. However, it is their automated algorithms that have done the most lasting damage to public confidence through the monetizing and profiteering on the dissemination of misinformation.

The European Commission is attempting to address this problem through the Digital Services Act, due to be adopted during 2022. Meanwhile, the Czech example of how search engine algorithms can be used to promote trusted journalism over disinformation should be promoted as part of the range of solutions.

Area 5 - Media legislation and regulation of media

Much of the media legislation currently regulating media in the Czech Republic was drafted in a very different era, before the advent of the internet, before digitalization, and before the decline of print media and their concentration in the hands of oligarchs. This legislation needs updating to take account of all these changes including updating laws regulating advertising and elections, etc.

Unlike the public television and radio councils, which are elected by the Chamber of Deputies, the Council for Radio and Television Broadcasting (RRTV), which regulates broadcast licenses, is directly appointed by the prime minister (albeit on nominations made by the Chamber of Deputies). In countries where media capture is most advanced these councils are often “captured” by the government by imposing its own supporters, removing their independence and, like in Hungary or Poland using them to exert political pressure on the media. The RRTV has not been abused in this way, perhaps largely because there have been no significant decisions to make regarding the allocation of frequencies and licenses. However, as with the boards of the public service media, the independence of RRTV must also be rigorously defended from future governments who might seek to abuse their powers and punish critical media through it.

Area 6 - Control of the purchase of advertising by the state and safeguards against abuse

The abuse of state advertising is a key element of the state capture of independent media. By abusing state funds to reward positive reporting and punish critical reporting, governments can create a pliant media sector dependent on the favours of the state. The economic crisis facing media has left them particularly vulnerable to these tools and, in the Czech Republic, when this is coupled with oligarchs' profits being dependent on state favours towards other parts of their business empires, the potential for the corruption of the state and of the media is self-evident.

To protect the integrity of the media, strict regulations must be applied to end any abuse of advertising by imposing clear objective criteria such as the media's position on the market, ability to reach the target group, journalistic standards, and the protection of media pluralism. These must be further backed by measures to strengthen all government procurement processes to eradicate conflicts of interests and their abuse to influence media coverage.

MEDIA POLICY IMPLEMENTATION

It is imperative that the new government include media policy in its agenda from the outset and support the conditions for the existence of independent media and public interest content. It is necessary to coordinate the activities of all government bodies that do or could have a positive impact in the media landscape.

This requires the involvement and coordination in particular of the Ministry of Finance, the Ministry of Industry and Trade, the Ministry of Culture, the Ministry of the Interior, as well as the management and councils of public media and representatives of private media and with professional media associations. The government should also coordinate with the European Commission, where Vice-President Věra Jourová is leading policy initiatives to protect media pluralism across Member States.

A general view
on the Prague
Castle (L) and
Government of the
Czech Republic (R)
building in Prague,
Czech Republic,
27 August 2020.

*Photo by EPA/EFE
MARTIN DIVISEK*



SUMMARY

The result of the elections to the lower house of the Czech Parliament in October 2021 has brought a fundamental change to the situation of the Czech media. The populist movement of Andrej Babiš lost the elections, and the majority in the lower house was won by a coalition of five democratic parties that formed the government. Andrej Babiš has thus lost decisive influence over the public service media, while at the same time the other oligarchs no longer have an incentive to support him and, in that sense, to influence the content of their media in that direction.

On the other hand, Andrej Babiš has not lost his influence over the media that belong to his empire. The elections have not affected the existence and reach of disinformation sources, nor have they, in themselves, improved the situation of independent media.

The new government has a crucial challenge ahead of it to promote the sustainability and pluralism of media and to weaken the influence of disinformation sources. A priority task is to revise media legislation to strengthen the independence of public service media and weaken the influence of politicians over content.

An independent media is a prerequisite for a functioning democratic society. And society must create the conditions, including the necessary financial support, for the existence of independent and pluralistic media to be preserved. Similarly, it must regulate the funding of public service media to ensure that its budget keeps pace with inflation and remains sufficient for the public media to fulfil its mandate.

If the new government and the democratic-minded majority in parliament understand the current situation as an opportunity to create a stable pluralistic environment in the long term, one of the most important conditions for ensuring the democratic development of the country will be met.



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MEDIA CAPTURE IN THE CZECH REPUBLIC:

LESSONS LEARNT FROM THE
BABIŠ ERA AND HOW TO
REBUILD DEFENCES AGAINST
MEDIA CAPTURE